

The NATIONAL UNDERWRITER

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Rash Of Coverage Switching Feared As Result Of Welfare Fund Disclosure Bill

A piece of sleeper legislation, in the form of the Teller bill which requires disclosure of employee welfare and pension benefit plans, has caught the industry by surprise and its possible effects upon the future welfare and pension plan business have thrown a considerable scare into the whole field. Specifically, the industry has been laid wide open to a rash of "twisting" and "switching" of coverage.

The Teller bill has already passed the House and has been sent to the Senate where it goes into conference for the ironing out of differences between it and a similar measure that was quietly passed in the Senate. The bones of contention between the two houses are minor ones, having to do with the powers of the Secretary of Labor and certain very small plans which may or may not be exempt. So,

as far as the life industry is concerned, passage of those sections of the bill that will hurt it most are now accomplished facts of life.

Briefly, the bill provides that the administrator of most employee welfare and pension plans must publish a description of the plan within 90 days of passage of the bill. The bill further requires the administrator to publish within 120 days after the end of the calendar year an annual report which will be made available to the participants and to the beneficiaries covered by the particular plan. Two copies of the description of the plan

must be filed with the Secretary of Labor who, in turn, shall make them available for examination in the public document room of the Department of Labor.

If some or all of the benefits under the plan are provided by an insurance company or service, the bill provides, the following information must be disclosed: "The total amount of premiums received, the approximate number of persons covered by each class of benefits, and the total claims paid by such insurer or other organization, dividends or retroactive rate adjustments, commissions, and administrative service or other fees or other specific acquisition costs, paid by such insurer or other organization, any amounts held to provide benefits after retirement, the remainder held by

(CONTINUED ON PAGE 12)

O'Mahoney Hearing Sets Mood: Polite But Deadly Serious

To Cover Every Aspect Of Price-Fixing, Competition Or The Lack Of It

By KENNETH O. FORCE

WASHINGTON—Sen. O'Mahoney's inquiry into regulation and competition in the insurance business started here last week with three days of questions and testimony on aviation insurance.

If the business had supposed Mr. O'Mahoney was not serious, these initial days should correct the notion. He is polite—and deadly serious. If it takes him a year (and it may), he is going to develop every aspect of non-regulation; price-fixing, whether by indirect or direct means; competition and notably the lack of it.

Will Tackle Rate Making

Mr. O'Mahoney gave every indication, directly or by implication, that he is going to tackle regulated rate making, especially that which is done in concert by the bureaus, after dealing with non-regulated rate-making in aviation, ocean marine, A&S and probably life insurance.

His opening statement and the opening days of the inquiry should serve notice on the industry that (1) Mr. O'Mahoney is a firm believer in price competition and in fact regards price and competition as synonymous; (2) that he regards regulation by government as essential, with a preference for the federal government; (3) that he looks on regulation and competition as synonymous; (4) that he, as the congressional arm, intends to test and explore thoroughly the regulatory effectiveness of the state commission-

(CONTINUED ON PAGE 20)

Tax Bill Favored By Mutuals Introduced By Rep. McCormack

A life insurance tax bill has been introduced in Congress by Rep. John W. McCormack, and Louis W. Dawson, president of Mutual of New York and chairman of the Temporary Committee on the Taxation of Mutual Life Insurance Companies, said that his group is prepared to support the bill provided that proper allowance is made for the fact that premium deposits are not income, and on the assumption that the Treasury Department will also support the bill.

The bill employs the "total receipts" approach suggested by the Secretary of the Treasury in April and would tax mutual life companies in a form generally similar to that applied to other types of corporations, after allowing certain deductions designed to protect policyholders' savings against long-term unpredictable risks.

The treasury has advocated the total receipts approach to life insurance taxation, which would include in the tax base both paid-in premiums and investment income. The mutual companies, however, have generally opposed the approach because they maintain that premium payments are deposits of the policyholders' capital and do not constitute income to a mutual life company.

Mr. Dawson said, "Premiums paid in by policyholders should not be considered income to mutual companies for tax purposes any more than funds deposited in mutual savings banks should be considered taxable income to the banks. But Rep. McCormack's bill is satisfactory. Although it follows the corporation-income-tax pattern, in the end it gives consideration to the fact that the tax burden actually will be borne by the mutual companies' millions of individual policyholders."

If passed, Rep. McCormack's bill

(CONTINUED ON PAGE 20)



Architect's rendering of Equitable Society's 42-story home office building for which groundbreaking took place this week. The structure, located on New York's Sixth Avenue between 51st and 52nd streets, will cost about \$58 million and house 10,000 employees. Plans include a glassed-in lobby, sound-absorbent ceilings, zone-controlled air-conditioning and a 1,625-seat cafeteria. Completion is scheduled for late 1961, with cornerstone laying ceremonies set for July, 1959, during Equitable's centennial celebration.

Jenkins-Keogh Bill Believed Dead; Is Target Of Treasury

WASHINGTON — Jenkins-Keogh legislation is believed to be dead for this session of Congress. Senator Byrd, chairman of the finance committee, said he was unable to understand why the bill was held in the House ways and means committee for 18 months, then passed by the House on July 29, and sent over to the Senate just before adjournment.

A vote on the legislation in the Senate was attempted this week in a parliamentary maneuver that would have tacked it onto the internal revenue technical amendments bill. The legislation was ruled out on a point of order. The point was overruled by the presiding officer, but his decision was reversed on appeal.

Sen. Byrd added that his committee had hearings scheduled "for some days to come," but that the bill will be presented to that body for hearings "at the earliest possible time." He said it is the committee's policy "to have public hearings on all controversial legislation."

To his statement Sen. Byrd attached a letter from Dan Throop Smith, deputy to Secretary of the Treasury Anderson, stating that department is opposed to H. R. 10 (Jenkins-Keogh). The letter follows:

This is in response to your request of July 31, for the views of this department on H. R. 10, passed by the House of Representatives July 29, 1958.

Could Deduct Up To 10%

In its present form, H. R. 10 would allow self-employed people to deduct amounts up to 10% of their otherwise taxable income from self-employment, provided they invested such amounts in certain specified types of retirement funds, annuities and insurance

(CONTINUED ON PAGE 20)

American L.&A. And Auto Owners Safety Appeal FTC Decision

ST. LOUIS—Counsel for American Life & Accident and Automobile Owners Safety are preparing to appeal to the U. S. Supreme Court from the two to one decisions of the court of appeals in St. Louis, handed down on May 16, 1958, upholding cease and desist orders that had been issued by the Federal Trade Commission for alleged violating of rules and regulations as to advertising and sales activities as decided upon by the FTC.

The court of appeals on June 20 rejected petitions filed by the companies seeking rehearings and the court then issued orders of enforcement to back up the FTC.

On Aug. 6 the court of appeals ordered that the time for the two companies to file reports showing their compliance with the orders of FTC to "cease and desist" should be extended for a period of 30 days pending proceedings in the Supreme Court.

Advertising Expenditures Rose 9-Fold During First Quarter-Century Of LAA

As part of the silver anniversary celebration of Life Insurance Advertisers Assn., A. H. Thiemann, New York Life's 2nd vice-president for public relations, has written a history of life insurance advertising covering the 25 years of LAA's existence. Mr. Thiemann was president of the association in 1954-55. He joined New York Life in 1933. Because of its comprehensiveness, the history of life insurance advertising is being printed by THE NATIONAL UNDERWRITER in several installments.

By A. H. THIEMANN

The 25 years since the founding of the Life Insurance Advertisers Assn. in 1933 have been marked by substantial growth in the volume of life insurance advertising. Taking the published annual statement figures of the 15 leading companies, advertising expenditures in 1933 aggregated \$3,152,543. The comparable figure for



A. H. Thiemann
1957 is \$28,342,059, which is nine times greater.

Of course life insurance companies

have always advertised in some form or other, and even prior to 1933 a few companies had campaigns in mass media. However it has been only during the past quarter century that the companies have generally made real use of this tool of modern merchandising.

Can Sell Life Without Advertising

It is not surprising that life insurance should have lagged behind other industries in using advertising, for it is quite possible to sell life insurance in large volume without any advertising at all. A well-trained sales force can work wonders. Moreover efforts to sell life insurance from the printed word alone have invariably ended in conspicuous failure. It took a while for the business to learn how controlled mass communication, which we

call advertising, could best be fitted into the picture.

In order to discover just what has happened during this 25-year period, reports have been obtained from 35 life insurance advertising managers. They were asked to review their campaigns, explaining what they have done during the past 25 years and why. Included in the survey were both large and small companies, stock and mutual, national and regional, American and Canadian. It was expected that some over-all patterns would emerge, giving a clear, unified and coherent picture of life insurance advertising.

After all, the fundamental reasons why people buy life insurance are the same for all companies. While there are great differences among the companies which are apparent to those within the business, most people find it difficult to differentiate one company from another. When one company introduces a new policy or premium rate, others are quick to follow suit. To the outside observer there would

(CONTINUED ON PAGE 21)

Pacific Mutual Life Reinsures Railroad A&S Business

Announcement was made this week by Continental Casualty and Pacific Mutual Life that effective Sept. 1, Pacific Mutual will discontinue writing railroad franchise business and will reinsure its outstanding railroad accident and health business with Continental Casualty.

Ralph J. Walker, sales vice-president of Pacific Mutual, said his company wishes to concentrate its efforts on life and A&S insurance in the ordinary and group fields. By reinsuring the railroad business, he said, "we are relieved of an operation foreign to our regular business—an operation which we have administered from a Chicago office."

Vice-president Armand Sommer, of Continental Casualty, who has executive supervision of the railroad division, remarked that Continental has been the leading writer of railroad A&S business for 60 years, and "the reinsurance of Pacific Mutual's impressive volume of railroad premiums will enhance this leadership."

Ky. Agents Resolve To Censure Hospitals That Plug Pet A&S Plans

A resolution has been adopted by Kentucky Assn. of Life Underwriters to censure hospitals and medical personnel who endorse one hospital-medical insurance plan over another.

The action rose from allegations that some hospital administrators and others in the field have advised the public on insurance without being qualified. The Lexington association adopted a similar resolution recently.

New York Hears Argument Against Credit Life, A&S Rules Revisions

While agreeing in principle with the New York department's proposed regulation to prevent alleged abuses in the issuance of credit life and credit A&S insurance, New York companies turned out in force at a department hearing to protest certain sections of the regulation which they felt imposed unnecessary burden on insurers and lending agencies.

J. Andrew Painter, vice-president of First National City Bank of New York, appearing as chairman of the installment sales credit committee of New York State Bankers Assn., stated the case for his own group and insurance companies when he pointed out that regulation should be simplified and held to a minimum.

"Regulations which are too complicated or which embark on ill-advised ventures into new and untried excessive measures of administrative control may be self-defeating," he said. "The public welfare will be poorly served by the discouraging of insurers and creditors from providing sound, fair and necessary elements of credit insurance."

Not Intended To Be Burden

In opening the hearing, Arthur L. Lamanda, first deputy superintendent, said the regulation was not intended to be a burden for anyone and was designed primarily as a legal safeguard for consumers who are, in effect, a "captive market," in which the creditor can dictate the choice of insurance coverage, premium rates, insurer and agent.

Mr. Lamanda noted that the hearing was only an exploratory one. He set Aug. 16 as a deadline for submission of further arguments by those wishing to express additional arguments on the revision which is intended

to replace rules in effect since 1952.

The revision requires that when an individual policy of life or A&S insurance is required by the creditor the debtor shall have the option of furnishing the required insurance through existing policies of insurance owned or controlled by him or of procuring and furnishing the required insurance through any insurer authorized to transact an insurance business

(CONTINUED ON PAGE 26)

FTC Examiner Would Drop Ad Complaints Against A&S Insurers

Federal Trade Commission hearing Examiner Loren H. Laughlin has issued initial decisions which would dismiss because of lack of FTC jurisdiction false advertising charges against six companies selling A&S insurance.

The companies involved are Mutual of New York, United of Chicago, Washington National, Massachusetts Bonding, Lumbermens Mutual Casualty and American Casualty.

Examiner Laughlin gave as his reasons for the dismissal orders the U. S. Supreme Court decision of June 30, to the effect that the FTC is prohibited by the McCarran-Ferguson act from regulating the practices of insurance companies within states having statutes for insurance regulation.

The dismissals are not final and may be appealed, stayed, or docketed for review.

Last week the commission, itself, dropped false advertising charges against North American Accident.

Adams Tells Senate Committee Boosts In SS Can Ruin Program

WASHINGTON—Albert C. Adams, president of National Assn. of Life Underwriters, in a statement read to the Senate finance committee by Caryl M. Dunaway, NALU general counsel, said that in view of liberalizations voted during each of the last four election years, increases in benefits this year could destroy public confidence in the program's soundness and even result "in its ruination."

Mr. Adams' statement was directed towards the social security bill being considered by the Senate committee which, he said, would increase maximum family benefits to 299% of the 1940 level as against an increase in living cost of only 205%. A similar bill has already been passed by the House.

Emphasizing that NALU does not oppose social security and that "we have long regarded it as being a socially desirable means of providing... a basic floor of protection against want," Mr. Adams said NALU opposes unreasonable and excessive liberalizations because they would imperil not only the program, but the entire national economy.

Parts of the statement repeated testimony given before the House ways and means committee recently by Edwin Wood, associate manager of Phoenix Mutual Life at San Francisco, but Mr. Adams made several new points.

The tax increases in the bill, Mr. Adams said, would aggravate the grave economic problems, inflation and the recession, and would delay their solution. He pointed out that "since the employers' share of social security taxes is another cost of doing business, any increase in these taxes would, where possible, be added to the prices that consumers pay... This in turn would lead to successful demands for higher wages by many of these consumers. The result would be net inflationary pressures adversely affecting not only our working population generally but present OASDI beneficiaries as well."

"At the same time, the proposed tax increases would add to the total tax burden of the working population," Mr. Adams said. "Thus, to the extent that gainfully employed taxpayers were unable to obtain offsetting increases in wages or other income, the probable effect of an increase in taxes would be to curtail their purchasing power still further and, consequently, to impede recovery from the recession."

Mr. Adams also noted that Congress in 1956 created an advisory council on social security financing to report no later than Jan. 1, 1959, and that would be premature and illogical for Congress to "jump the gun" without first getting the advisory council report.

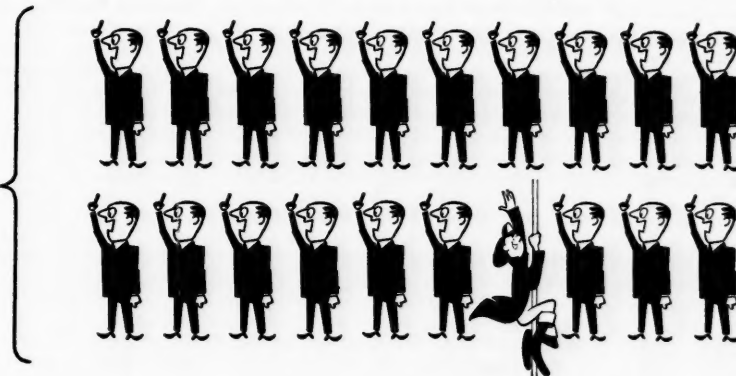
Long Beach CLUs Elect

Long Beach (Cal.) chapter of CLU has elected Wayne Fitzgerald, Equitable Society, president. Other newly elected officers are Dale W. Harding, Connecticut General, and Ted Robbins, New England Life, secretary-treasurer.

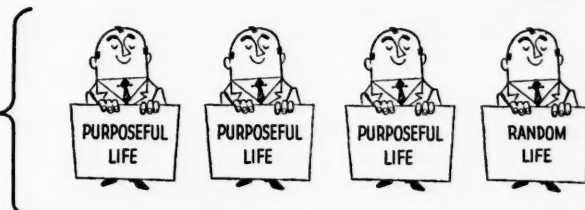
Directors are George Mihalka, California-Western States Life, and Bryon Sells, Continental Assurance.

Some interesting facts about Chartered Life Underwriters*

19 OUT OF 20
MAKE LIFE INSURANCE
THEIR
LIFE-TIME CAREER



3 OUT OF 4
STAY WITH THE
SAME COMPANY



THEIR MEDIAN INCOME
FROM
LIFE INSURANCE ALONE
IN 1955 WAS \$13,900



THOSE WHO BECOME C.L.U.'s also tend to move into management and executive positions with their companies. When this happens at New England Life, as it so often does, we regard it as a bonus return on our investment. The purpose in supplying support to the Society and to the men attending is to produce *professional life underwriters* in the strictest sense of the phrase. When this is accomplished, nothing but good can result for the man, his clientele, his company and the entire industry.

*SOURCE: C.L.U. Annual Review, 1957

NEW ENGLAND
Mutual **LIFE** Insurance Company
BOSTON, MASSACHUSETTS

ALC-LIA Spokesman Deplores \$4,800 SS Wage Base Proposal

WASHINGTON—Testifying before the Senate finance committee on the House-passed social security revision bill, John H. Miller, spokesman for the life companies, hit particularly hard at the proposal to raise the wage base from the present \$4,200 to \$4,800.

Mr. Miller, vice-president and senior actuary of Monarch Life, spoke for American Life Convention, Life Insurance Assn. of America, and Health Insurance Assn. of America.

Mr. Miller traced the history of post-war social security benefit increases and pointed out that the increases enacted in 1954 were sufficient to cover the rise in the cost of living during the past four years.

"Past liberalizations in the OASDI benefit structure were primarily intended to maintain the purchasing power of the benefits in the face of cost-of-living increases," he said. "In 1950 the liberalizations restored the purchasing power which benefits had lost during the war and post-war inflation. A further price increase over the past two years was offset by the liberalizations in the 1952 amendments. In 1954, however, benefits were increased by some 15% more, although the intervening increase in prices was negligible. As pointed out by an insurance witness at the time, an imbalance between benefits and living costs was then created.

Would Produce Imbalance

"The increase in living costs of some 7% since 1954 has consequently tended to restore the historic relationship between the OASDI benefit level and the level of consumer prices. A further benefit increase at this time is unneeded and would create a new imbalance."

Turning to the proposed increase in (CONTINUED ON PAGE 27)

Private Pensions' Effect On Life Sales Negligible

Life sales have not been appreciably damaged by the spread of private pension plans, according to results of a survey conducted for Institute of Life Insurance by the University of Michigan survey research institute.

"Increased insurance coverage has gone hand in hand with increased participation in pension and retirement funds," according to Jerry L. Miner, who prepared the report on the basis of the study. "Payments to pension and retirement funds do not siphon off savings which might otherwise go into life insurance premiums."

The report notes that the proportion of the population covered by pension or retirement funds mounted from 23 to 34% between 1953 and 1956 while the proportion of those owning life protection among the pension plan participants increased from 87 to 92%. Those with both life insurance and pension plan protection spent as large a share of total income on life premiums as those who owned life insurance only.

The survey also showed that eight out of 10 families now own life insurance in some degree, that one in seven (CONTINUED ON PAGE 26)

Management Confab Slated For Dallas Before NALU Rally

Southwest Management Conference sponsored by Texas General Agents & Managers Conference will be held Sept. 5-6 in Dallas, and since it will precede the annual meeting of National Assn. of Life Underwriters there by two days, the registration committee is preparing for 1,000 delegates.

William R. Bagg, John Hancock, is general chairman of the event which will be attended by management personnel from six southwestern states.

Speakers Listed

Speakers on the program will include: Robert E. Murphy, president California-Western States Life; Horace Smith, vice-president Connecticut Mutual Life; William T. Earls, Mutual Benefit Life general agent of Cincinnati; Raymond C. Johnson, agency vice-president New York Life; John P. Meehan, Mutual of New York, Boston; Anthony J. Klug, John Hancock, Rochester; Coy G. Eklund, Equitable Society, Detroit, and William Gove, vice-president of E.M.C. Recording Co. Among the subjects under discussion will be recruiting and selection, training and retraining, and motivation and supervision.

NALU Women Leaders To Hear Zimmerman At Banquet In Dallas

WASHINGTON—Charles J. Zimmerman, president of Connecticut Mutual will be the speaker at the Sept. 8 banquet of Women Leaders Round Table during the annual convention of National Assn. of Life Underwriters at Dallas. His subject will be "Spenderella."

Suzanne Audet Nominated

The slate of candidates for WLRT offices has been announced by Alberta M. Light, National of Vermont, Detroit, chairman of the nominating committee. The slate includes Suzanne Audet, Prudential of England, Quebec, chairman, Florence Axelsson, State Mutual, Minneapolis, vice-chairman, and Helen Tall, New England Life of Towson, Md., and Grace C. Ross, New York Life, Brooklyn, for board members.

The elections will be held at the WLRT annual business meeting the evening of Sept. 7. That afternoon the WLRT will present its "Sellarama" program, the principals on which are:

Miss Audet, moderator, Mrs. Hazel Schofield, Equitable Society, Macon, Ga., speaking on "Contacting Higher Quality Prospects," Mrs. Louise Hall, Fidelity Union Life, Irving, Tex., "Giving More Service," Mrs. Ray K. Bergman, Equitable Society, Houston, "With Privilege Comes Responsibility," and Mrs. Amelia E. Reichert, New York Life, New York City, who will summarize the program.

Lee P. Stack, Director And Vice-President Of John Hancock, Retires

Lee P. Stack, vice-president and director of John Hancock, retired this week after 25 years with the company.

Mr. Stack began his career with John Hancock in 1933 when he joined the finance department. A year later he became assistant treasurer. He was appointed second vice-president in 1943 and vice-president in 1945. He has been a director since 1954.

Mr. Stack has also been a director and trustee for banking, business, and community organizations. A noted authority on railroad financing and administration, he has served as president or director of the New York Lackawanna, and Western Railway Co., the New Haven Railroad and the Boston Terminal Corp.



Lee P. Stack

New Indiana Handbook Is Published

A new Underwriters Handbook of Indiana has just been published by the National Underwriter Company. It provides complete and up-to-date information on the agencies, companies, field men, general agents, groups and other organizations affiliated with insurance throughout the state. Copies may be obtained from the National Underwriter Company at 420 East Fourth street, Cincinnati 2, Ohio. Price \$12.50 each.

Results For First Six Months Given

	1958 New Life Ins. Bus.	1957 New Life Ins. Bus.	1958 In Force Increase	1957 In Force Increase
Acacia Mutual Life	85,024,105	88,106,801	34,521,710	39,404,876
Boston Mutual Life	34,554,524	33,382,796	24,257,386	26,567,146
Carolina Life	12,616,856†	11,893,130	5,399,839	6,391,379
Equitable Life of Iowa	84,027,885	87,686,322	30,990,306	43,225,605
Interstate L. & A.	27,573,714	26,191,078	4,051,780	8,385,174
New York Savings Bank Life	16,304,700	13,449,884	11,761,660	10,814,799
Pan American Life	90,536,883††	93,120,361	18,389,244*	57,003,453
Shenandoah Life	18,301,707	12,833,710	7,901,469	2,471,713
Southland Life	82,101,621	78,508,962	24,564,303	17,755,953
Teachers Ins. & Annuity Assn.	30,757,912	25,406,464	16,945,820	15,357,641
Union Central Life	182,171,842	147,752,822	116,272,236	90,294,740
United Benefit Life	133,943,559	109,706,037	93,413,394	29,408,280
Volunteer State Life	3,574,165	30,909,614	—5,982,978	22,522,737
West Coast Life	33,527,690	28,697,649	5,848,118	14,993,554

* Includes \$17,883,568 decrease in insurance in force on account of currency fluctuation in Colombia.

† In addition, revivals and increases amounted to \$12,616,856; †† \$4,473,925.

OWN YOUR OWN AGENCY



LOOK, Cinderella!
we're no fairy godmother, but...
we think we've got something that will help you turn your present "pumpkin" into a "golden coach." Look at these facts:

1. We've got the top agency building contract for the man who wants to build an agency of his own.
2. A career agent's contract second to none, with liberal first year and renewal commissions, group insurance, and pension plan. Also, Home Office training designed to get the new man to the top in a hurry.
3. A very complete Rate Book, with all the latest types of plans, designed to meet every situation.

We have several excellent territories still available in the United States and Canada.

If you're interested in an agency of your own with an expanding organization, contact The Maccabees, a Life Insurance Society, 5057 Woodward Avenue, Detroit 2, Michigan.



THE MACCABEES — a Life Insurance Society

Founded in 1878

Home Office
Detroit 2, Michigan

Fire Agents Give Views On Life As Competitive Facility Or Threat

(Herewith are presented more comments from local, property insurance agents who were asked if they thought a life department an essential competitive facility for them in the days ahead. More comments will be published in future issues.)

In the writer's opinion, all the questions raised can be summarized with an analysis of the current situation. Casualty companies are entering the life field, as we see it, for two fundamental reasons. There is more stability in life underwriting, and the additional premiums are funds available for investments.

It is not so much a question as to what we think of a general insurance agency doing a life business, but more important the fact that competition is going to force us into writing life insurance in order to protect our business.

The problem, as I see it, is one of training casualty agents to do an intelligent job of life underwriting. As far as the client is concerned he would much prefer to have one agent handle all insurance affairs. In this connection, it would seem to me that the average general insurance man with the proper amount of training will be able to handle individual life situations. However, when it comes to key man, stock purchase agreement, pension trust, etc., you will still need a specialist in the field. Furthermore, a good general insurance man will be the first to admit to his client that a specialist should be called in and accordingly make arrangements with a competent man to handle the case.

We do believe that a life department is an essential competitive facility and our belief is evidenced in our creation of a special life department five years ago. We have one man handling our life business as a specialist, although all members of the agency are generally familiar with life coverages. Our "life man" is, conversely, generally familiar with the general insurance business and we have found this particular method of operation to be quite successful. It has been our feeling that with almost constant changes in both the life field and the general insurance business during the past several years, it is almost an impossibility for an individual to be thoroughly conversant with both fields. For this reason we will probably continue to operate our life department pretty much separately from the general business.

A&S in the past has been handled in our general insurance department although it is our thought that in any new drive for increased volume it should more properly be handled as an adjunct to our life department.

For an agency to justify its existence in the present competitive field and to maintain the position that we claim, it is essential that life insurance facilities be provided. We have subscribed to that theory in a limited way for many years but have never gone to the extent of opening or operating a separate life department. However, our entire personnel has been indoctrinated to be alert for life insurance

prospects and, generally speaking, either I have solicited or followed it up, or we had one of our associates follow through.

To have opened up a life department on the basis which we thought would be acceptable, the amount of money required was staggering. In the first place, to get a competent person to manage the life department would have required a guaranteed salary of a very substantial amount. Whether or not we could have written more life business than we are now doing is a matter of conjecture. We decided against it, but are now developing our own man with the ultimate purpose in mind of having a separate life department.

We firmly believe in using the

monthly premium payment plan for both personal and commercial accounts. It is not only a sound practice in our opinion, but one which is looked upon with great favor by our customers. As a matter of fact, we have been pursuing an advertising program emphasizing this very program. In the personal lines, when one takes into consideration the ever increasing cost of automobile insurance, as well as the savings possible in term policies on real property, very few—relatively—insured can afford to make the necessary cash outlay for an adequate program. The American public conditioned to pay in installments, is inclined to buy more insurance—insurance to value for instance, or more adequate limits of liability—if the

premium can be spread over a number of months. Incidentally, we are absolutely opposed to the use of any company plan—we use our own and handle our own paper.

What anyone thinks on this subject is academic as the multiple line trend is in full tide and all insurance offices are tending toward "department store" patterns, with sales emphasis a personal preference selection as regards lines pushed by the agent involved.

It is not our opinion that the danger of competition has been over-estimated because a competitor has a life business. We think that the competition is going to become more acute now with so many life companies going into the property field and more particularly with so many property companies going into the life field. While there will always be a few agents specializing in certain fields only, or in certain types of clients only, their future, in our opinion, is certainly not as bright as the agent which handles all lines, including life.

Now...

Over Five Billions of
Life Insurance in Force
...without Group or
Reinsurance.



THE
NATIONAL LIFE
AND ACCIDENT
INSURANCE COMPANY
HOME OFFICE - NASHVILLE, TENNESSEE

Why

DO Monarch® MEN

GET FURTHER FASTER

... here are five main reasons

1. Two quality products: Monarch men can offer every prospect complete protection—non-cancellable, guaranteed premium rate health and accident, and participating personal and business life. Result: quality policies for all of the prospect's needs!

2. Intensive sales training: Monarch men are trained at our Home Office Training School, followed up by agency training meetings, correspondence courses and advanced training school sessions. Result: the training necessary to do the job!

3. Practical financing: Monarch men enjoy the benefits of an incentive bonus plan for their first two years, which provides income to a satisfactory level. Result: establishment in business without indebtedness!

4. Group sales: Monarch men can offer group insurance as well as personal insurance—group disability income, group hospitalization, and group life. Result: no missed sales opportunities!

5. Management opportunities: Monarch men only are chosen as our agency supervisors, training school instructors, general agents and Home Office agency executives—without exception. Result: a management training program that is working!

Want more details on why Monarch men get further faster?

Write to our Dept. PR-9.

Monarch

LIFE INSURANCE COMPANY
SPRINGFIELD, MASSACHUSETTS

LOANS

A General Agent or Agent can easily have from \$2,000 to \$100,000... in a lump sum...at low bank interest rates...on his vested renewals through our exclusive, dignified, confidential service...

- For additional working capital
- For business expansion
- To pay off indebtedness...protect your credit
- For personal needs...home purchase, home remodeling, etc.

For complete, confidential information on this exclusive service, please call or write...

RENEWAL GUARANTY CORPORATION
2323 First National Bank Bldg. • Denver 2, Colorado • TAbor 5-2254

RENEWAL GUARANTY CORPORATION

2323 First National Bank Bldg., Denver 2, Colo.

Gentlemen: Please send me complete, confidential details on your exclusive service. I understand I am NOT obligated in any way.

☐ AGENT

☐ GENERAL AGENT

Name _____

Company _____

Address _____

City _____ Zone _____ State _____



Member: National Assn. of Life Underwriters

Elizur Wright Award Honorarium Doubled

The stipend that goes with the Elizur Wright Award for "outstanding original contribution to the literature of insurance" has been doubled, according to American Assn. of University Teachers of Insurance, which makes the award annually.

Increased To \$500

The former honorarium of \$250 will be increased to \$500 beginning with the 1958 Wright citation, to be made at the annual meeting of the association in Chicago, Dec. 28-29. Donor of the award has remained publicly anonymous since its inception.

All sessions of the association's annual meeting will be held at the LaSalle Hotel, Chicago, according to Dr. J. E. Hedges, Indiana University, program chairman. Tentative plans call for a CLU-CPCU breakfast on Dec. 28.

Insurance And Education

The morning session will open at 10 a.m. on the topic, "The Place of Insurance in Curricula of Professional Education." The afternoon will feature two sessions, one on research and the other on "Insurance Principles in Teaching." The annual business meeting will be held at 4 p.m., Dec. 29. In addition, there will be speakers at both luncheons, Sunday and Monday.

Seek Receivership For Another Moore Insurer

JEFFERSON CITY—Aug. 18 has been set as the date for a hearing on the application of Superintendent C. Lawrence Leggett to take over Great Republic Life of Kansas City. The company is operated by Vaughn V. Moore.

It is charged that the capital of \$25,000 is impaired and the company is insolvent, and allegations to this affect resulted in a temporary injunction restraining the company from transacting further business. At the Aug. 18 hearing it will be determined whether the injunction should be made permanent.

Is President Of Security National

Mr. Moore is also president of Security National Life of St. Louis, now in the hands of Mr. Leggett as receiver. Mr. Moore purchased the company in 1933 when it was known as North Missouri Life, changing the name in 1939 to Great Republic. When the Missouri department took over Security National, Mr. Leggett ordered an examination of Great Republic.

Company Denies All

Great Republic has asked Judge Blair to dismiss the Leggett petition.

The answer filed by the company on Aug. 7 entered a flat denial to all of the charges made by Mr. Leggett in his petition. Great Republic reported that as of Dec. 31, 1958, it had \$2.4 million of ordinary life insurance in force on the lives of 2,735 policyholders. The company denied that its capital stock has been impaired or that it is insolvent or that its further operation would be hazardous to the policyholders or the public.

Maccabees Report Wins Award

Maccabees has won a merit award on its annual report for the sixth consecutive year. The award, given by Financial World magazine, is based on a survey of 5,000 annual reports judged on content, typography and format, with special attention given to the reports' appeal both to general and to professional readers.

American Family Life of Madison has been licensed in Minnesota.

CLU Chapters Added; Total Stands At 108

American Society of CLU has approved the charter of chapters in northern Oklahoma and Kalamazoo which brings the society's number of territorial units to 108. Officers of the Kalamazoo chapter are H. Lore Harvey, president; Ralph W. Emerson, vice-president, and Fred H. Mame, secretary-treasurer.

Officers of the northern Oklahoma chapter are Robert S. Frantz, president, and Hershon Freeman, secretary-treasurer.

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THE
PROMISED
LAND?

FOLLOW THE ARROW

IN 1957

14% OF OUR GENERAL AGENTS
EARNED OVER \$25,000 ...

22% MORE THAN \$20,000 ...

48% OVER \$10,000.

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- ★ The Extension
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THEY'LL DO IT AGAIN with the kind of Home Office Assistance that a vigorous and progressive company knows is essential to build top flight Agencies in—

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Florida • Virginia • W. Virginia • Indiana
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BYRON C. JOHNSON
Agency Vice-President



JEFFERSON NATIONAL
Life Insurance Company
INDIANAPOLIS, INDIANA

the Company
with the
Agency Heart!



JEROME K. BARRETT

*Where else could I build
such financial security?*

Redding, California
May 26, 1958

Mr. George A. Landis, Regional Manager
Los Angeles, California

Dear George:

It is with eager enthusiasm that I look forward to the time when I will undertake an assignment as General Agent for the Franklin Life Insurance Company.

Starting as I did with no insurance experience at all, my first full year in the business produced an income of \$7,847. Last year it was \$8,500. This year, so far, I have sold \$306,602, for an annualized premium of \$11,372. So 1958 should see me paying income tax on well over \$15,000. I know the real meaning of the slogan, "An agent cannot long travel at a faster gait than the company he represents."

I am tremendously grateful to Franklin Life Insurance Company for the wonderful opportunity and merchandise presented to me. Where else can a young, aggressive fellow go into business with no experience, no investment, and no overhead, and build such financial security?

I feel that this is only a beginning.

Sincerely,

Jerry Barrett

GENERAL AGENCY
OPPORTUNITY IN
SAN ANTONIO,
TEXAS

An agent cannot long travel at a faster gait than the company he represents!



The Friendly
FRANKLIN LIFE INSURANCE COMPANY

CHAS. E. BECKER, PRESIDENT

SPRINGFIELD, ILLINOIS

DISTINGUISHED SERVICE SINCE 1884

*The largest legal reserve stock life insurance company in the U.S. devoted
exclusively to the underwriting of Ordinary and Annuity plans
Over Two Billion Nine Hundred Million Dollars of Insurance in Force*

N. J. Orders 5% Cut In Blue Shield Rates

Commissioner Howell of N. J. has ordered a 5% cut in Blue Shield rates and told the plan to submit a revised schedule of rates to be effective Oct. 1.

In ordering the rate reduction Commissioner Howell said, "It is my opinion that such a reduction can safely be made in view of the plan's present more than adequate surplus

and on the basis of recent experience, including its operations for the first half of 1958. I still feel that present rates are more than adequate and the present reserves are unnecessarily high."

The cut would slash annual premiums by about \$1.5 million. Total premiums are \$30 million.

A spokesman for Blue Shield said that directors of the plan would meet within a few days and would consider the order for a reduction in rates.

Blue Shield's current quarterly rates for family and individual policies,

respectively are: group plan, \$14.76 and \$3.90, and non-group plans, \$19.20 and \$5.10.

Blue Cross received an 18.5% rate increase on July 1, because of higher hospital costs.

Akron GAs Elect Ness

Harold A. Ness, Connecticut General Life, has been elected president of Akron General Agents & Managers Assn., replacing Russell E. Werts, Northwestern Mutual. Henry L. Metzger, Massachusetts Mutual, was named secretary-treasurer.

Nw Mutual Agents Elect J. L. Mage

John L. Mage, general agent at Angeles for 17 years and with company 36 years, was elected president.



C. A. McCotter



Merrill Garcelon

ern Mutual Life at the recent meeting in Milwaukee. He succeeds John Todd of Chicago.

Other officers elected by the association at the conclusion of the annual rally were: Dennis E. McTigue



John L. Mage



H. D. Goldman

district agent Fort Dodge, Ia., vice-president; Ben S. McGivern, special agent Milwaukee, 2nd vice president, and Lester A. Wilbert, Milwaukee agent, reelected secretary-treasurer for the fifth consecutive time.

Executive committee: Nathan F. Burghheim, special agent St. Louis; Robert A. Files, special agent Cleveland; R. Merle Palmer, district agent Tacoma, Wash., and Harold F. Vines, general agent Phoenix.

Officers of the general, special and district agents' associations were reported in a previous issue. Presidents of those three units in that order whose pictures appear in this story are: Howard D. Goldman, Richmond; Charles A. McCotter, Indianapolis; and Merrill Garcelon, Memphis.

Blue Cross Rates To Go Up In Youngstown, Ohio

The Ohio department has approved a 20% increase in Blue Cross rates in Youngstown, which is 5% less than requested. New rates become effective Sept. 1.

Subscribers were told also that "because it proved impossible to apply equitably in practice, the insurance division approved the elimination of the provision for refunding twice the annual service charge to subscribers unable to obtain care because no beds are available."

Massachusetts Mutual has made a 22-year first mortgage loan of \$4,850,000 on the Dupont Plaza, a 13-story combination general office, hotel, architectural display and garage in Miami.

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THE MEN BEHIND THE AETNA LIFE MAN

Sales Conference Team

No. 6 in a series



These men behind the Aetna Life man represent members of the Home Office staff, the field force, and outstanding guest speakers at Aetna Leaders Seminars and Regional meetings. The men and the meetings are important factors in the broadening phase of Aetna Life's Training Program.

Realizing the importance of providing opportunities for an exchange of ideas, Aetna Life has pioneered in yearly Regional Meetings which began 30 years ago. Leaders Seminars were established over a decade ago to bring to Hartford the company's top producers.

It is men engaged in activities such as these who form the potent force for training, development, and success that stands behind the Aetna Life man.



AETNA LIFE INSURANCE COMPANY



Affiliates:
AETNA CASUALTY AND SURETY COMPANY
STANDARD FIRE INSURANCE COMPANY
Hartford, Connecticut

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Where are State Farm agents getting their Life clients?



Over 70% of our life applicants are already
policyholders in our Auto or Fire Companies!

Never underestimate the power of companion-line selling.

Consider the State Farm Career Agent. He is equipped with the knowledge to place and service Life, Auto and Fire lines. For him, a client leads to another client. Virtually every family insurance need can be fulfilled from the complete, integrated protection this man can provide from his well-rounded portfolio.

As long as there are families . . . as long as there are lives and homes

and cars to be protected, the State Farm agent will prosper uniquely.

He enjoys many other advantages, too. Like being his own boss . . . a truly independent businessman representing only State Farm. He enjoys Regional Head Office bookkeeping and billing . . . Career Man training . . . and much more. And too, he is able to identify himself fully with the good name and strong promotional efforts of the world's largest auto insurance company.

State Farm Life Insurance Company

Companion company of State Farm Mutual Automobile Insurance Company and
State Farm Fire and Casualty Company. Home Offices: Bloomington, Illinois



Credit Life Insurance Found To Be Good Springboard For New Insurers

By HOWARD J. BURRIDGE

A large number of life companies organized within the past 10 years or so have depended rather heavily upon the writing of credit insurance during the early years of their existence. Credit business has given them quick volume and avoided the expense of building an agency organization. Thus, many of the newer companies have

been able to show a rather impressive amount of insurance in force within even five years after getting started.

But credit insurance is surely not to be compared with any of the other regular forms of coverage. It is on-and-off, individual amounts and rates are low, and it does not tend to build up assets, reserves and surplus nearly so quickly as other standard life in-

surance coverages.

In addition, many of the companies that have depended heavily upon the writing of credit for quick volume have found the chief objection to their operations to be that they have not been building agency organization. They have depended on a relatively small number of sources (banks and finance companies) for all their volume. This has meant that the loss of a few such sources of business has resulted in an unexpected and rather large decrease in premium income oc-

asionally. Thus unless a new life company is determined to operate as a credit insurance specialist, the time must come sooner or later when in addition to credit the other usual forms of life insurance must be written through an agency organization.

This does not mean that such a company need put less emphasis on credit business, but only that in addition it must begin to establish a regular agency organization entirely aside from credit. This is what a number of the newer companies have been doing in the last two or three years.

For instance, Colorado Credit Life was organized as a credit writing company and made a good showing in the credit field. Now it is writing more credit business than in the past, but in addition is establishing an agency organization with the result that now only 60% of its business consists of credit and 40% of the regular life forms.

No Conflict Is Found

Fortunately, there is no conflict between a company's credit business and its regular agency force. Credit insurance is written by banks and finance companies, quite automatically on a bordereau basis. There are no agents involved. The financial institution introduces the subject of life insurance at the time that the terms of the loan are discussed.

With some loan companies, credit life insurance is obligatory or the loan is not made. With others the applicant for the loan is given a choice; he can have the loan either with or without life insurance. But the financial institution has no agents who operate apart from offering life insurance at the time the loan is made, so the regular agency organization never comes in contact with those who write credit insurance for the same company which they are representing.

Gains Size Quickly

For most newly organized companies, credit life insurance is a springboard. It is a means of acquiring insurance in force and of making a company appear to be of reasonable size from a standpoint of insurance in force. Often stockholders with good connections are able to help arrange credit insurance connections. Knowing this, the organizers of new life insurance companies often seek those associated with banks and finance companies as stockholders.

After a young company has acquired about \$50 million of life insurance in force on the credit basis and feels that this figure can be maintained and increased through credit life only, it can then begin the building of a regular organization. Such companies find it is easier to attract men to it than if it only had something under \$15 million of life insurance in force, which might be the in-force figure for a new company, say five years old that did not write credit.

HILLIARD N. RENTNER joined the Berkshire Life Insurance Company as an Agent in 1940. Three years later he became an Assistant General Agent and in 1951 he was named General Agent. The Rentner Agency is located on Fifth Avenue in New York City.



... by the time you realize that you're getting nowhere, it can be too late to get off the merry-go-round. The most successful field management men in our business have a clear plan of where they're going and how they'll get there."

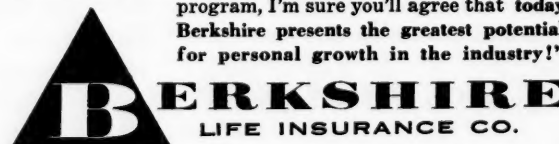
"That's fine for the man who has arrived. But you know, Mr. Rentner, I haven't even had a chance to hit my full stride yet. What does Berkshire have to offer me?"

"Plenty! You'll find the confidence you're looking for in one of the industry's finest management development programs. And field-proven promotion and training that are second to none will help you hit your success stride quickly."

"Training and sales aids that help Agents succeed certainly are vital to field management success, that's for sure!"

"You're right, and Berkshire's field management and Agent development programs are no happy coincidences. They're the result of hard work by men who have been successful in the field themselves. With this kind of career-building

program, I'm sure you'll agree that today Berkshire presents the greatest potential for personal growth in the industry!"



Life, Accident & Sickness, Pension Plans, Annuities

W. Rankin Furey, C.L.U., President

George D. Covell, C.L.U., Agency Vice President

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400 At B.M.A. Regional Sales Meetings In West

More than 400 agents from nine branch and district offices in California, Washington, Oregon, Idaho and Montana recently attended three regional sales conferences held by Business Men's Assurance.

The meetings which were held at Palo Alto, Cal., Los Angeles and Seattle, were part of B.M.A.'s program of regional sales meetings throughout the country for the current year. They were conducted along the lines of workshop training sessions.

NQA

Lutheran Mutual
Proudly Salutes

These 1958 National Quality Award Winners

J. V. Albrecht (11)
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Charles E. Alt (7)
Norwalk, Ohio

Grant Anderson
Wausau, Wisconsin

Harold G. Austinson (6)
Sioux Falls, South Dakota

Richard R. Babbitt (2)
San Diego, California

Corwin K. Barnhart (2)
Walla Walla, Washington

Samuel T. Beach (2)
Butler, Pennsylvania

Carl F. Bockelman (7)
Napoleon, Ohio

Albert E. Buenzow (4)
Sturgeon Bay, Wisconsin

Walter T. Burmeister (5)
Kansas City, Missouri

Clarence G. Butts (3)
Buffalo, New York

Carleton G. Case (13)
Marion, Ohio

Eugene L. Christian
Red Oak, Iowa

Melvin I. Crumrine (4)
York, Pennsylvania

Oliver J. Curfman (6)
Wadsworth, Ohio

Lammert H. De Weerth
(8)
Bartonville, Illinois

Eduards Dobelis
Waverly, Iowa

Otto G. Fellwock
Milwaukee, Wisconsin

Albert Felmet, C.L.U. (10)
Buffalo, New York

Virgil H. Folkers, C.L.U.
(7)
Waverly, Iowa

Fred W. Gamm (2)
Wauwatosa, Wisconsin

Fred W. Guinsler
Newark, Ohio

Hilbert H. Hantelman (6)
Mankato, Minnesota

Carl F. Hanusa (6)
Madison, Wisconsin

Samuel J. Harke (10)
Toledo, Ohio

E. K. Hasselbring (7)
Oak Park, Illinois

Ernest L. Hax (5)
Victoria, Texas

Alvin C. Hayes (3)
Columbus, Ohio

Edwin H. Holmberg
Richmond, Michigan

Donald R. Hopkins
Bellflower, California

Frank J. Hummel (7)
Cushing, Iowa

Melvin S. Johnson (2)
Minneapolis, Minnesota

Karl W. Klett (8)
Milwaukee, Wisconsin

George Knaphus
McCallsburg, Iowa

Donald E. Koehn (4)
Davenport, Iowa

Leonard C. Kramer (6)
Sioux City, Iowa

L. B. Krienke (7)
Pflugerville, Texas

M. M. Larson (13)
Fargo, North Dakota

William A. LeCook (6)
Rochester, New York

Harold C. Ling (5)
Columbus, Ohio

Lawrence A. Lubben (4)
Cedar Rapids, Iowa

Frederick H. Lueck (11)
Dayton, Ohio

G. E. Lueck (2)
Denver, Colorado

Benton Luedecke (6)
Houston, Texas

Herold J. A. Lueders (9)
Harper Woods, Michigan

Gladys H. Marten (11)
Manson, Iowa

Robert C. Meyer (3)
Watseka, Illinois

Eric W. Moerbe
Brenham, Texas

Jerry J. Moerbe
El Campo, Texas

Martin A. Moerbe (7)
Joliet, Illinois

Clarence A. Norcross (2)
Portland, Oregon

Gertrude Nybakken (3)
Solon, Iowa

Alta L. Obermueller
Huis Smith, Texas

John H. Oltmann (3)
Davenport, Iowa

Herbert A. Oster (7)
Aberdeen, South Dakota

Harold A. Palmer (4)
Erie, Pennsylvania

John M. Park (9)
Peoria, Illinois

Dietrich E. Peters (4)
Spokane, Washington

Albert C. Printz (3)
Canton, Ohio

Harvey C. Raasch (6)
Milwaukee, Wisconsin

George C. Rausch (6)
Waterloo, Iowa

Kenneth E. Renken
Algona, Iowa

Ben H. Ritter, Jr. (7)
Minneapolis, Minnesota

Howard F. Ritter (6)
Minneapolis, Minnesota

Vernon L. Schrader (3)
Elgin, Illinois

Erwin G. Schrank
Dallas, Texas

Elwin H. Schubbe (5)
Springfield, Minnesota

Victor W. Schulz (6)
Sheldon, Iowa

Ellsworth H. Shields (6)
Milwaukee, Wisconsin

George H. Sielschott (7)
St. Marys, Ohio

Harold E. Struckmann (3)
Rochester, Minnesota

George W. Thiemann (2)
Glen Ellyn, Illinois

Harold T. Voigt (2)
Mt. Prospect, Illinois

Arthur W. Winkelhake,
C.L.U. (7)

Talmage, Nebraska

() Figure indicates number of years award has been won.



Lutheran Mutual LIFE INSURANCE COMPANY

Senior Vice-President Martin Of Connecticut Mutual Life Retires

Leslie R. Martin, senior vice-president of Connecticut Mutual Life since 1956, has retired. He has been with the company for 48 years.

Mr. Martin joined Connecticut Mutual as a clerk in the mail room in 1910, and the following year was transferred to the actuarial department. From 1928 to 1951 he advanced successively to assistant secretary,

secretary, 2nd vice-president and associate actuary, vice-president and actuary and vice-president.

He was a fellow of the Actuarial Society of America and the American Institute of Actuaries, and when these societies merged in 1949, he became a fellow of the Society of Actuaries. In addition, he is a member of many local and national actuarial and insurance organizations, including the Actuaries Club of Hartford, American Life Convention and Life Insurance Assn. of America.

Mr. Martin has taken an active in-

terest in both state and federal legislation on taxation of life companies and has served on several committees which have endeavored to work out a tax plan equitable to all types of companies.

July sales of individual life insurance by **Occidental Life of California** totaled \$102,091,018, an increase of 31% over July sales last year. July was the highest in history and marks the third time this year that monthly sales have exceeded \$100 million. For the first seven months, sales are up 16.8%.

Fear Cover Switching As Result Of Welfare Fund Disclosure Bill

(CONTINUED FROM PAGE 1)

such insurer or other organization, and the names and addresses of the brokers, agents or other persons to whom commissions or fees were paid the amount paid to each, and for what purpose."

For the life industry, this is the key section of the bill. Industry sources maintain that once an insurer provides the required information, the company has revealed data which can be of considerable value to agents, brokers and other persons bent upon "twisting" or "switching" policies from one insurer to another in order to secure higher commissions and fees.

Although the industry has taken the stand that to avoid abuses in union welfare funds, revelation of excessive commissions, allowances and fees to third parties for services is desirable, there are certain non-auditable or actuarial items, such as claims, contingency reserves and other so-called retentions which should not be reported. They feel that public knowledge of these facts and figures would place insurers at a definite competitive disadvantage.

Also of major concern to the industry is the cost of disseminating this information to all the beneficiaries and participants in these plans.

It was originally hoped that the House would pass the Bosch amendment to the bill which would have excluded from the disclosure provisions all level-of-benefit welfare and pension funds. Unfortunately, the amendment was voted down 131-104, and level-of-benefit plans, the industry's primary concern, are not exempt.

And so the life industry is faced with yet another problem—the huge cost of providing the required information to an insured and, in the cases of most life companies which have their own employee pension plans, the expense of disseminating information to their employees.

The cost of fulfilling the law's requirements will thus add to the operational costs of welfare and benefit plans and, in turn, reduce the amount of benefits accruing to beneficiaries under the plans.

David A. Hersh, vice-president and general counsel of Maccabees, has been appointed to the board.

MANAGEMENT CONSULTANTS

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Won't They Hatch?

(Old-fashioned Accident & Sickness lines are slow as cold eggs!)



Try A LIVE BATCH

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REPUBLIC NATIONAL LIFE OF DALLAS

Take it from our Agents, Brokers and General Agents in 38 states . . Republic National A. & S. contracts are *producers!* THE MOST MODERN FORMS OF ACCIDENT & SICKNESS: Disability Income, Hospitalization and Surgery, Non-Can, Accidental Death, Dismemberment, Major Medical Expense. Simply write Allen Cureton, Assistant Vice President, Republic National Life Insurance Company, North Central Expressway, Dallas, Texas. GO with REPUBLIC . . America's "GO" COMPANY, for 30 years.

REPUBLIC NATIONAL LIFE INSURANCE COMPANY
DALLAS

InsurOmedic Life Gets License Renewal

AUSTIN—Commissioner William A. Harrison last week granted a renewal license to InsurOmedic Life of Dallas, after more than three weeks of deliberation, but added some conditions to his order, including a requirement for monthly financial statements.

Mr. Harrison said the company had recently taken numerous steps to correct a deficit reported at the end

of 1957, with unimpaired capital now amounting to \$123,900. He also said a new president should be named shortly to succeed Pioneer Fisher, whose resignation was forced at the beginning of the formal investigation.

The order also instructed the directors to correct some previous code violations involving certain mortgage loans and transactions between the company and "affiliated persons or corporations."

The Texas department has acted against two other firms controlled by Mr. Fisher. Franklin American of Dallas, a fire and casualty affiliate, is now in receivership, and proceedings have been filed against Allsura Corp., a holding company.

Ellis Is NALU National Committeeman For Cal.

California Assn. of Life Underwriters has elected E. A. Ellis, general manager of Life of North America at San Francisco, as national committeeman. Mr. Ellis succeeds Walter C. Gastil, Los Angeles manager of Connecticut General, who served for two years.

Mr. Ellis is president of San Francisco General Agents & Managers Conference and vice-president of San Francisco Assn. of Life Underwriters.

State Mutual Employees Receive Education Grants

During the past school year, 27 employees of State Mutual were assisted in the completion of studies at colleges and business schools by \$1,500 in grants provided by State Mutual's tuition subsidy plan.

State Mutual pays half of the tuition for employees completing approved courses of study. To be approved for a tuition refund, the subject taken must meet one of three requirements—assistance to improved performance on present job, aid to advancement or credit towards a college degree.

Convention Dates

Sept. 7-12, National Assn. of Life Underwriters, annual, Statler-Hilton hotel, Dallas.
Sept. 22-24, Life Office Management Assn., annual, Chalfonte-Haddon Hall, Atlantic City, N. J.
Sept. 22-24, International Claim Assn., annual, French Lick Springs hotel, French Lick, Ind.
Sept. 22-25, Assn. of Superintendents of Insurance of the Provinces of Canada, annual, Empress hotel, Victoria, B.C.
Sept. 29, Fraternal Actuarial Assn., annual, Hotel Fontainebleau, Miami Beach.
Sept. 29-Oct. 1, National Fraternal Congress, annual, Hotel Fontainebleau, Miami Beach.
Oct. 2-4, Society of Actuaries, annual, Netherland Plaza hotel, Cincinnati.
Oct. 6-7, Conference of Actuaries in Public Practice, Morrison hotel, Chicago.
Oct. 6-10, American Life Convention, annual, Edgewater Beach hotel, Chicago.
Oct. 22-24, Life Advertisers Assn., annual meeting, Queen Elizabeth hotel, Montreal.
Oct. 23-25, Midwest Management Conference, French Lick, Ind.
Oct. 27-29, Health Insurance Assn., individual insurance forum, Drake hotel, Chicago.
Nov. 6-7, New York State Assn. of Life Underwriters, fall delegate meeting, St. Moritz hotel, Lake Placid, N. Y.
Nov. 10-13, Life Insurance Agency Management Assn., annual, Edgewater Beach hotel, Chicago.
Nov. 19-21, Institute of Home Office Underwriters, Hollywood Beach hotel, Hollywood Beach, Fla.
Nov. 20, Insurance Federation of New York, annual, Waldorf-Astoria, New York City.
Dec. 8-12, National Assn. of Insurance Commissioners, midwinter, Roosevelt hotel, New Orleans.
Dec. 8-9, Assn. of Life Insurance Counsel, winter meeting, Waldorf-Astoria hotel, New York.
Dec. 9, Institute of Life Insurance, annual, Waldorf-Astoria hotel, New York City.
Dec. 10-11, Life Insurance Assn. of America, annual, Waldorf-Astoria hotel, New York.
Feb. 20-21, New York State Assn. of Life Underwriters, general agents and managers meeting, Gideon Putnam hotel, Saratoga, N. Y.

Continental Assurance Reports 6-Month Gains

Continental Assurance reported total life in force of \$5,035,455,777 by June 30, an increase since the year end of \$128,334,447. Net gain from insurance operations for the first half of 1958 was \$3,424,565 as compared with \$2,114,227 for the same period last year.

Capital funds at the half year totaled \$54,568,118 and total admitted assets were \$544,529,432. Corresponding figures for Dec. 31, 1957, were \$51,799,-

618 and \$513,878,738, respectively.

Directors declared the regular quarterly dividend of 25 cents per share payable Sept. 30, to shareholders of record Sept. 16.

Detroit Assn. Meets On Yacht

Officers and directors of the Life Agency Management Assn. of Detroit held the initial meeting of the newly elected board on John Hancock general agent Henry Grossman's yacht, Sea Song. There was 100% attendance of the board members.



THINK...

WHY are you paid the same commission as the lowest producers in your agency when you are consistently a top producer?

WHY do so few companies vest renewal commissions?

WHY do you receive little continuing reward for attracting good producers to your agency?

WHY are your renewal commissions for low lapses the same as paid to other representatives for high lapses?

WHY is your renewal commission schedule so low if persistency is so vitally important?

WHY are smaller renewal commissions paid over a long period of time instead of larger commissions paid over a short period?

WHY has the Accident and Health Division of All American Life & Casualty Company enjoyed the most spectacular growth in the business? From the standpoint of premium income, All American now ranks among the top 125 companies.

WHY is All American Life & Casualty Company, having started writing Life Insurance in July, 1956, already producing approximately one million a week?

If you want straightforward answers to all of these questions . . . write—

E. E. BALLARD, President,

ALL AMERICAN
Life & Casualty
Company
CHICAGO
General Offices: All American Building
PARK RIDGE, ILLINOIS

You earned almost \$2,000 in commissions and overriding in first six weeks as our General Agent



Mr. Eugene Spain
P. O. Box 386
Manchester, Georgia

Dear Gene:

Your Protective Life associates are indeed proud of the fine record of production which you have compiled during your first six weeks as a Protective Life General Agent.

Even though you were an experienced life insurance salesman before coming with Protective Life, I feel sure that you might reasonably have expected a period of readjustment in your change from one company to another. Actually, the reverse action occurred. Your rate of production increased from the very first week with Protective Life to such an extent that during the first six weeks with our Company you earned almost \$2,000 in first year commissions plus overriding, and at your present rate of production your 1958 earnings will exceed last year's by a very large percentage.

While we at Protective Life believe that our methods, our policy contracts, and our sales material have been instrumental in helping you get started with us on a very firm foundation, we fully realize that the greater share of the credit is yours.

Gene, there are any number of good companies with whom you could achieve life insurance success. You hold the key within yourself. Protective Life is grateful that you are giving it the chance to provide the opportunity.

Your sincere good friend,

William J. Rushton
William J. Rushton
President

General Agency Openings
Throughout the Southeast
Write to C. B. Barksdale,
Agency Vice-President



PROTECTIVE LIFE

William J. Rushton
President

Serving the South
Since 1907



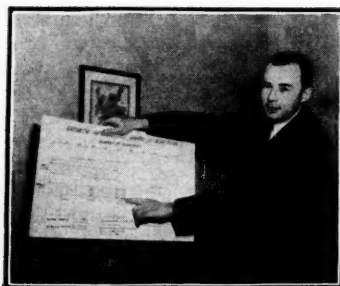
Insurance Company

PROTECTIVE LIFE BUILDING
BIRMINGHAM, ALABAMA

R_x FOR MANAGEMENT OPPORTUNITIES MANAGEMENT



MANAGER



FIELD ASSISTANT - SALES

FIELD
UNDERWRITERDISTRICT GROUP
REPRESENTATIVEMANAGEMENT
ASSISTANT

TO QUALIFIED MEN who have set their sights on a career in sales management, Home Life offers an organized plan for training and advancement. It is called the Management Development Program.

Established in 1945, the program is a comprehensive plan leading by flexible but well-defined stages to top management positions in Ordinary and Group sales. It is a program that works. A great majority of the company's present agency managers and home office sales management personnel were developed through it.

Men in Home Life's Management Development Program come to it with varied experience, but they have a number of characteristics in common: They are intelligent, ambitious, show definite executive capacity and have a strong record of leadership activities—in college, business or community affairs.

Participants begin at a level consistent with their aptitudes and previous experience. The college-trained man who has had some business experience usually starts as a Management Trainee in an agency or a Sales Management Trainee in the home office. Other men with more extensive business experience begin as Field Underwriters.

HOME LIFE'S MANAGEMENT DEVELOPMENT PROGRAM

have seen in an agency or as Group Insurance
managers Representatives in a local or regional
organize Group office.

development. No matter which phase of Home
Life's sales organization the man enters
—Ordinary or Group—he can look for-
ward to a career of scope and reward
equal to his own abilities. During the
various stages of his training, as
throughout his entire Home Life career,
he will have the support and guidance
of experienced, capable men to help him
on his way to success, and he will be
equipped with the most attractive in-
surance contracts, sales tools, and mar-
keting methods a progressive company
can provide.

Today, more than ever, the Manage-
ment Development Program is vital to
this company's operations. Home Life
is currently in the midst of an expan-
sion program calculated to double the
company's size. Plans call for the open-
ing of 40 new agencies and 18 new mar-
ket areas. As the number of agencies
and Group sales offices grows, the need
for qualified leadership grows. The
Management Development Program is
Home Life's answer to this problem.

It is a program which promises
opportunity... steady progress... and
accomplishment.

Participants Advance

By Well Defined,

But Flexible, Stages

To Top Sales

Management Positions

HOME LIFE INSURANCE COMPANY

253-6 BROADWAY, NEW YORK, N. Y.

Wm. P. Worthington, President

•

John H. Evans, Vice President—Sales

Field Changes

Life & Casualty Of Tenn.

Life & Casualty of Tenn. has made 23 field appointments.

Regional sales directors appointed are C. E. Lee, Memphis; H. G. Scanlan Jr., Mobile; M. L. Smith, Jonesboro, Ark.; W. T. Williams, Nashville; L. P. Cross, Atlanta; G. W. Ford, Albany, Ga.; L. F. Hardigree Jr., Miami;

Thomas Young, Spartanburg, S. C.; W. L. Adams, Johnson City, Tenn.; J. B. Alderson, Bowling Green, Ky.; J. P. Henderson, Richmond; C. R. Pickeny, St. Louis; Van Jones, San Antonio; C. W. Searcy, Dallas, and J. W. Meyer, Van Nuys, Cal.

District sales directors appointed are J. T. Causby, Winston-Salem; A. A. Gregory and R. K. Sheppard, Durham,

N. C.; C. R. McRae, Rome, Ga.; H. A. Parker, Greensboro, N. C.; J. L. Mullennix, Paducah, Ky.; H. E. Walker, Knoxville, and J. C. Savarine, Tampa.

Massachusetts Mutual

Massachusetts Mutual has made the following appointments: **William C. Cunningham** as supervisor at Detroit, **John M. Connors** as district group representative at Battle Creek and **Terrance F. Burke** as group pension representative at New York. Mr. Cunningham has had extensive experi-

ence in life sales and home office management. Mr. Connors entered the insurance field at Battle Creek in 1956. Mr. Burke has been group pension underwriter at the home office since 1956 and before that had his own agency at Thompsonville, Conn.

Phoenix Mutual Life



Gerald R. Schroeder

Phoenix Mutual appointed **Gerald R. Schroeder** as manager of the Columbus, O., office. Mr. Schroeder joined the company as an agent in 1952, was appointed an agency supervisor and was advanced to field supervisor.

Prudential

Prudential has appointed **Irving Gelb** as district manager at Newark. He joined Prudential at Englewood, N. J., in 1939, and has been staff manager at Morristown and Riveredge.

Michael F. Cuscaden has been appointed group representative in Cleveland. He has been with the company since 1956 at Jacksonville, Fla.

Prudential has appointed **Gerald H. Young** as manager at New York, effective Sept. 1. He joined Prudential as a 2nd vice-president in the ordinary agency department in 1957, and before that headed a State Mutual agency at New York for 19 years. He is a former vice-president and director of New York Life Managers & General Agents Assn. and a past president of the New York chapter of American Society of CLU.

W.O.W., Omaha

A. Dean Weatherford has been appointed state manager of south Alabama and west Florida for Woodmen of the World, Omaha. A home office special representative in the field department, he succeeds **Evan C. Evans**, who is retiring. Mr. Weatherford will maintain state headquarters in Dothan, Ala. He has been with Woodmen of the World since 1947.



A. D. Weatherford

Western Life

Paul C. Pottharst has been named superintendent of agencies in Louisiana and Mississippi, with offices in New Orleans. He began in insurance with Jefferson Standard, became general agent for Crown Life at New Orleans, and then opened his own general insurance office there, which he will continue to operate.

American National

G. Douglas Littrell Jr. has been named manager of a new office at Owensboro, Ky. He has been manager at Louisville for six years.

Paul Kirkpatrick succeeds Mr. Littrell as manager at Louisville. He has been with the company there since 1955.

Pacific Mutual Life

Richard M. Russell has been assigned to manager of the Dallas group office and **Samuel L. Jenkins** as manager of the Phoenix group office. Mr. Russell, with Pacific Mutual since 1955 and previously manager at



*** In this fast-moving age, we live by initials. It's confusing at times, but any BMA salesman can tell you what A.R.P. means—to him and to his policyowners! A.R.P. is BMA's Automatic Renewal Plan... the policyowner's bank pays his premiums by pre-authorized checks. It means convenience and savings to policyowners; increased renewal income to BMA salesmen.**

A BMA idea 'way back in 1924, the A.R.P. has recently been revised to offer even more modern service and thrift.

INITIALS also indicate many of BMA's fine plans of Life and Accident and Health coverage. Shown here are just a few reminders of the full line of personal insurance offered by BMA representatives. To help you identify them we reprint below a partial list.



BUSINESS MEN'S ASSURANCE Company of America

Union Station Plaza • Kansas City 41, Mo.

Life • Accident and Health • Major Medical Expense • Hospitalization • Annuities • Group Plans • Reinsurance

BIP—Basic Income Plan
FS—Family Security
GRIP—Guaranteed Renewable Income Plan
HOP—Home Ownership Plan

MHEC—Major Hospital Expense Contract
MME—Major Medical Expense
PIP—Preferred Income Plan
PWL—Preferred Whole Life

SS—Security Supplement
SSE—Special Savings Endowment
SWL—Special Whole Life
THI—Triple Hospital Income

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Phoenix, is replacing John F. Stewart, who has resigned. Mr. Jenkins has been home office representative in the Denver group office since 1957.

Occidental Of California

Harvard Von Bergen has been named assistant manager at Chicago for Occidental Life of California. He has been an agent there for the company since March.

Gordon G. Kalweit has been named assistant manager at Denver. He has been an agent in Denver also since March.

James L. Clutterbuck has been appointed brokerage manager of the Max Abrams general agency of Occidental at Cincinnati. He was formerly A&S regional supervisor of Continental Casualty at Cincinnati. Mrs. Virginia Sarbeck has been named brokerage supervisor.

American United Life

James D. Ratliff Jr. has been appointed assistant vice-president and reinsurance representative in the southwest for American United. He will maintain offices in Dallas. Mr. Ratliff has been in insurance since 1951 as a home office underwriter and company officer.

Union Central Life

The Charles B. Knight agency of Union Central Life at New York has appointed Michael D. Feigin manager of the agency's Westport, Conn., office. Mr. Feigin has been with the Knight agency since 1956.

Southland Life

Tom Constabile, agent for Southland Life at Duncan, Okla., has been named unit manager there and will operate out of that city. He has been with the company since 1955.

Old Republic Life

Emanuel Unterweiser of Jersey City has been appointed general agent for Old Republic Life there. He is also president of the A. E. Slade general agency of Long Island City, N. Y.

North American Life, Chicago

David E. Rikard has been appointed manager of the North American Life agency at Kingsport, Tenn. He has been in life insurance since 1951.

United Benefit Life

John T. Eason has been appointed manager of the Cincinnati district group office. He has operated his own insurance consulting firm in Atlanta and has been in group insurance for seven years.

Union Mutual Life

Union Mutual Life has appointed Charles L. Warren and Wayne L. Ray as managers at Madison, Wis. Messrs. Warren and Ray have been brokers and agents at San Jose, Cal.

New England Life

New England Life has appointed James D. Holland as district manager of the new group insurance office at Charlotte. He has been district representative at Atlanta.

Republic National Life

Charles H. Bonner has been named group representative in Chicago for the company. He has both field and administrative experience.

MICHIGAN LIFE has named H. Patrick Sweeny district agent for the Cpsilanti (Mich.) area. At one time he was Detroit representative for Kansas City Life.

CAPITOL LIFE OF DENVER—Frank H. Devitt and Roy R. Wright have opened a general agency for the company in Denver.

NORTHERN LIFE OF SEATTLE—William R. Hefner has been named manager at San Diego.

Misuse Of Union Welfare Funds Charged In Mich.

LANSING, Mich.—A union dipped into its welfare funds to help pay premiums caused by excessive silicosis claims in a Detroit plant, B. Morris Bond, an executive of the Michigan Malleable Iron Co., told a special legislative investigating committee here.

Mr. Bond testified that 52 of the plant's 175 workers filed silicosis disability claims in 1956, resulting in compensation payments of more than \$400,000 by the firm's insurer, Michigan Mutual Liability. This adverse experience, he said, pushed rates up to a point where the management had decided to close the plant as unprofitable. When the union leadership was consulted, he said, it was agreed that the extra premium load would be borne out of the union's welfare fund so that operations could continue.

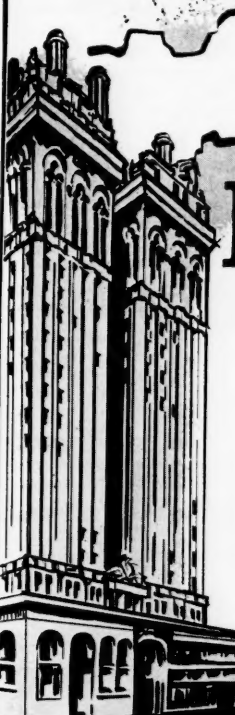
Calls Most Claims "Phony"

Mr. Bond charged the bulk of the disability claims were "phonies" and that the diagnosis, according to the company's own physician, was incorrect. The claims were honored, however, by the workmen's compensation ordered.

The witness further asserted that, under Michigan statutes, recipients of silicosis disability benefits are able to collect unemployment benefits as well. The compensation law fixes a \$10,500 ceiling on silicosis payments while idle workers can collect benefits up to as much as \$54 weekly for 39 weeks.

The investigating committee, headed by Rep. Walter G. Nakkula, Gladwin, was set up primarily to inquire into allegations of undue union influence in operation of the employment security commission which administers the unemployment insurance law.

Union Trust Life has been admitted in Ohio and New Mexico.



Leadership

Since 1907 Jefferson Standard has been a leader in the life insurance industry. Today, among companies writing ordinary life insurance exclusively, only five are larger than Jefferson Standard.

Mr. 4%

Represents The Jefferson Standard

Jefferson Standard

LIFE INSURANCE COMPANY Home Office: Greensboro, N. C.



The SOWER...

In its symbolism is every tenet upon which our business is built.

Symbol of Just Rewards

The Sower spreads seeds which germinate, grow and are harvested... providing food for the family... and a sense of security through the months until the next harvest. The reward for his labors is a good crop... a secure family... and hope for the future. The Sower symbolizes the rewards which come through sowing the seeds of regular saving at an early age to produce a bountiful harvest later in life and to provide security through the years.

BANKERS LIFE OF NEBRASKA

LINCOLN

been ap-

David E. Rikard

Weatherford

been named in Louisville offices in insurance came general at New his own ere, which te.

has been office in management

Mr. L. H. H. He has been since

been in the Dallas Jenkins group office mutual manager

Home Office Changes

Washington National

Harry N. Lukins, vice-president and general attorney of Washington National, who has been in ill health for the past two years, retired Aug. 1. Mr. Lukins, who recently completed 35 years with the company, is also a board member, and continues in this capacity. In 1923, Mr. Lukins

assisted in the organization of Fidelity Life & Accident in Louisville. This company merged in 1926 with Washington Life & Accident and U. S. National Life & Casualty, which later became known as the present Washington National. At that time, Mr. Lukins was appointed general counsel, 12 years later being named general attorney.

Prudential

Prudential has appointed Nathan Friedman as director of agencies, effective Sept. 1. He has been manager at New York since 1955. He joined Prudential at Jamaica, N. Y., in 1951, later becoming division manager. From 1953 to 1955 he was identified with Prudential's training program for new agents.

Federal Life Of Chicago

Robert Ewbank of the Fred Zimmerman agency of the company at Moline, Ill., has been named field supervisor at

the home office. Before going with Federal Life, Mr. Ewbank was a teacher and coach at the local high school in Moline. He is a former star quarterback for the Oklahoma University "Sooners."

Jack L. Schaible was appointed as policy analyst with the agency department. He was formerly with Bankers Life & Casualty.

United Life & Accident

United Life & Accident has made the following appointments: Harry Barrett, as claims manager; Thomas M. Hardiman as assistant treasurer; John B. Tewksbury as assistant secretary and director of policy service; Andrew Vogt, as associate actuary. Mr. Barrett has been assistant secretary and director of policy service since 1955. He has been with United L. & A. since 1928 and has been supervisor in the loan and surrender, computing and special contract divisions. Mr. Hardiman has been with the company since 1953. Mr. Tewksbury has been in the actuarial department since 1955 and was appointed actuarial supervisor in 1956. Mr. Vogt joined United L. & A. in 1956, and before that was with Dominion Life of Canada.

Indianapolis Life

Robert F. Glover has been named manager of the accounting division, and Andrew C. Emerson has joined the company as an attorney in the legal department. Mr. Glover previously was chief accountant of Northern Life of Canada and has had 10 years experience in life insurance accounting. Mr. Emerson was formerly research associate of Indiana University school of law.

Pacific Mutual Life

James Whittier has been named administrative assistant in the agency department. He started with Pacific Mutual in 1954 as an administrative trainee and has served as a method analyst in the planning and coordinating department.

Security Life & Accident

Security L. & A. has appointed Stuart C. Ferris agency vice-president, Dr. Robert W. Gordon, medical director, and the law firm of Gorsuch, Kings Campbell, Walker & Gorver as legal counsel. Mr. Ferris has been in insurance management since 1939. Dr. Gordon is a graduate of University of Colorado.

United Benefit Life

Myles M. Gray has been appointed assistant actuary of United Benefit Life. Formerly actuarial department manager of another company, he is a member of Society of Actuaries.

Mutual Trust Life

Warren K. Jackson has been named assistant secretary. With Mutual Trust Life since 1949, he was previously assigned to the law department and manager of the policy benefits division.

Old Republic Life

Gustaf A. Kropp, vice-president in charge of the southern area, is retiring after 29 years with the company. Mr. Kropp joined Bankers Credit Life in 1928 and Old Republic in 1931.

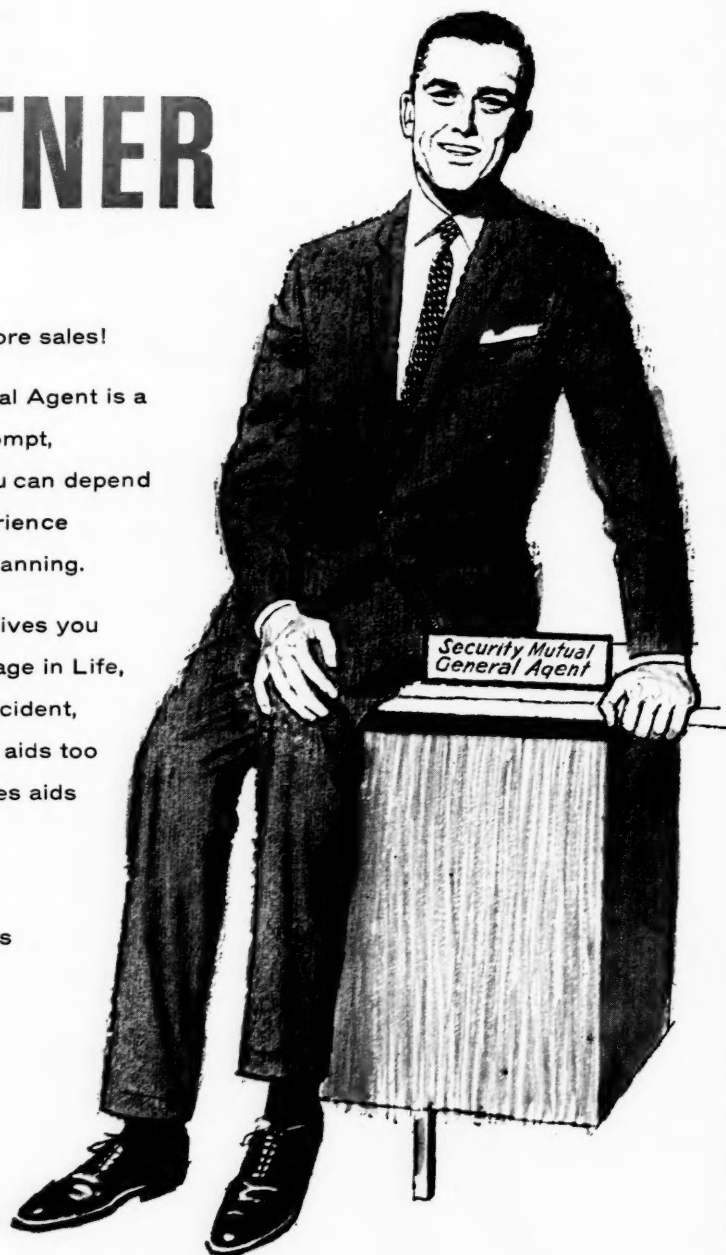
Make this man YOUR PARTNER

He can help you make more sales!

Your Security Mutual General Agent is a man you can depend on for prompt, efficient service . . . a man you can depend on for knowledge and experience in insurance-program planning.

Through him, Security Mutual gives you complete, flexible coverage in Life, Non-Can, Sickness & Accident, Group and Pension Trust. Sales aids too . . . modern, dynamic sales aids that really help you sell.

Contact your Security Mutual General Agent for the facts . . . today. He's a good man to know!



security mutual life insurance company

Richard E. Pille, President.
Harland L. Knight, Agency Vice President.

Your Security our Mutual responsibility

81 EXCHANGE STREET, BINGHAMTON, N. Y.

Service Guide

ACTUARIAL COMPUTING
SERVICE, INC.

1389 Peachtree Street,
N.E., Atlanta 8, Georgia
P.O. Box 6192, Telephone
TRinity 5-6727.

the two companies merged. He became vice-president in 1947.

General American Life

Thomas J. Ryan has been appointed assistant manager of the group sales and service department. He will work with Edward H. Jackson, department manager. Mr. Ryan has been with the company since 1949.

Louis F. Ebenreck has been appointed manager of the tabulating department, succeeding Alfred D. Proning, planning officer, who will now devote his time exclusively to planning activities. Mr. Ebenreck, who has been

with General American since 1925, has been engaged in tabulating work since 1941.

Ohio National Life

William J. Schmid has been promoted to general counsel, to succeed G. E. Coxworth, who has retired. Mr. Schmid joined Ohio National Life as



G. E. Coxworth



William J. Schmid

assistant general counsel in 1956 after a legal career that included four years with the FBI and nine years with the Hamilton county prosecuting attorney's office. Mr. Coxworth has been a member of the legal department and an associate of the company since 1934. He was promoted to associate general counsel in 1945 and to general counsel in 1952.

Republic National Life

Robert E. Capriellian has been named agency secretary. With the company since 1953, he has been in the branch office section of the agency division.

Arthur T. Ellis has been appointed brokerage assistant. He joined the agency division in 1956.

Occidental Of California

The company has named William R. Williams assistant director of agent recruiting. Mr. Williams has been with the company since 1949, the past five years as assistant manager at Pasadena.

Alexander Marshall has been named assistant actuary. Since joining the company in 1949, he has served as supervisor of the research and math sections of the actuarial department and as A&S actuary. He is a fellow of Society of Actuaries.

Pan-American Life

The company has appointed Fernando J. Rodriguez as assistant counsel. He has been with Pan-American Life since 1954 as a legal translator.

Employers Life

Employers Life, the newly formed affiliate of Employers group of fire and casualty companies, has appointed Edgar H. DeGraeve as manager of the life accounting department. He has been a methods analyst with Columbian National Life since 1956, and before that was accounting supervisor for Central Standard Life.

Equitable Society

Equitable Society has appointed Laurence E. Reiner as 2nd vice-president in charge of design and construction of the new home office building. He joined Equitable Society in 1944 and is a registered engineer in New York and Connecticut.

MIDWEST LIFE—Wesley E. Hardin has been appointed director of agencies. He succeeds Vernon L. Thompson who has retired from the agency post but who remains as vice-president of advertising and sales promotion and as a director.

AMERICAN L.&C.—James M. Carter has been appointed assistant to the director of agencies.

FIRST COLONY LIFE has appointed Henry C. Hofheimer II as chairman and Meade McMillen becomes executive vice-president and director of agencies. Mr. Hofheimer has been a director since shortly after the formation of First Colony. Mr. Mc-

Miller has been vice-president and director of agencies and before that was general agent for Mutual Benefit Life at Richmond.

DELTA LIFE—J. E. Sontheimer, chairman, has also been elected president of the company, succeeding the late V. S. Oulliber. Leonard M. Wolff has been named vice-president and executive assistant to the president.

James G. Bruce will become president of FOREST LAWN LIFE, Sept. 1, when W. W. Eaton resigns. Mr. Bruce has been vice-president and secretary of Colonial Life since 1946. He began his insurance career with Prudential in 1928, joined Colonial as assistant actuary in 1939, and became actuary in 1942.

SOUTH EAST LIFE has appointed Forrest Gregory vice-president and director of agencies. He has been agency vice-president of Volunteer State Life.

SHIELD L. & A. OF ST. LOUIS—Norvel T. Maxwell has been elected vice-president and director of agencies.

VOLUNTEER STATE LIFE has appointed Carter J. Lynch as agency vice-president. He has been with Volunteer State since 1955.

Slate Open House At New Farmers New World Home

A public open house will be held, Aug. 17, at the new home office of Farmers New World Life at Mercer Island, Wash., a suburb of Seattle.

The \$1 million two-story building has 28,000 square feet of floor space situated on a five-acre site. The home office was formerly in Seattle.

John C. Tyler, chairman, Thomas E. Leavey, president of Farmers Insurance group, and Gordon F. Winn, vice-president and general manager, will be present at the open house.

Minneapolis Life Agents Elect Harold Van Every

Harold Van Every, Bankers Life of Iowa, has been elected president of Minneapolis Assn. of Life Underwriters.

Other new officers are Arthur E. Larsen, Provident Life of North Dakota; John K. Baldwin, Connecticut Life; Donald L. Bennett, Manufacturers Life, and Hal S. McIntyre, Northwestern Mutual, all vice-presidents; Florence H. Axelson, State Mutual, secretary; and J. A. Chelgren, North American L.&C., treasurer.

NOW!
from Continental

group pension plans

that owners
of small corporations
can pay for
from tax savings

Now! Continental presents a Pension Plan that lets small businesses offer their people the same benefits given employees of giant companies.

Tax savings for owners are often enough to pay the cost for providing pensions for all other employees.

No trust necessary! Almost no administration! Premiums far below cost of individual plans! Group underwriting!

Get the facts from Continental Assurance, the company that has devised master contracts to fund more different types of pension plans than any other insurance company.

Check into this plan. You will find broad use for it. Write for booklet, "An Important Consideration."

Continental

Assurance
Company

Retirement and Special
Plans Department

110 South Michigan Avenue, Chicago, Ill.

ONE OF CONTINENTAL-NATIONAL GROUP



Hunters enjoy the sport — but they do need protection against the high cost of hunting accidents.

American Casualty's Hunters Tripmaster Policy is a necessity for millions of active sportsmen. The hunter can select the amounts of protection he needs — from \$5,000 to \$50,000 Accidental & Death & Dismemberment; \$500 to \$5,000 Accident Medical Expense — and from \$100 to \$1,000 insurance on hunting equipment and baggage. Policies may be issued for periods of 1 day to 6 months.

American Casualty will be happy to show you why Hunters Tripmaster has become the favorite policy with producers and public alike. Complete and mail the coupon for full details.

AMERICAN CASUALTY

COAST-TO-COAST BRANCH OFFICE SERVICE

AMERICAN CASUALTY CO., Reading, Pa.

Please send details on the HUNTERS TRIPMASTER POLICY.

Name

Address

City State E

Senate Inquiry Polite, But Deadly Serious

(CONTINUED FROM PAGE 1)

ers and their stewardship under public law 15.

From these preliminaries, there can be no doubt that the plans of the subcommittee are extremely ambitious and penetrating. Neither is there much doubt that Mr. O'Mahoney walked off the field of contest at the conclusion of the opening days of the investigation with what he wanted.

While Sen. Kefauver is chairman of the subcommittee of the Senate judiciary committee that is doing the investigating, and Mr. O'Mahoney is only a member, it is nevertheless Mr. O'Mahoney's show. When Mr. Kefauver does appear now and then to sit with Mr. O'Mahoney, Counsel Donald P. McHugh, and members of the subcommittee staff, Mr. Kefauver has

done so almost as a spectator.

Sen. O'Mahoney is very polite and appreciative of the cooperation of the business. But his questions and those of Mr. McHugh, and the testimony they elicited did not add up to the social results of a tea party.

Indicative of the procedure being followed was that counsel for one of the aviation insurers being questioned was granted permission to put in a statement after he and his clients have had an opportunity to study the record. In agreeing to this, Mr. O'Ma-

honey stipulated that he might want to put into the record something in reply to their statement. Sept. 1 was set as the deadline for the insurer's statement. Mr. O'Mahoney will also issue a statement summing up his view of what the subcommittee has learned and its implications, at the end of the sessions on aviation insurance.

Suggesting in his opening statement that the Soviets can and will make political capital over the world with any pronounced movement in the U.S. away from political and economic freedom toward dictatorship, Mr. O'Mahoney said it was absolutely true that small businesses and farms are gradually being eliminated in the U.S. There are more bankruptcies, prices are going up and big business is making more profits.

Big And Small Business

He talked a lot about small business and what Congress is doing for it. There is a lot of talk about competition in business, he said. But gradually the regulation of commerce and industry is falling into the hands of a few persons who exert control over big business. Yet it is the duty of Congress and has been from the outset to regulate commerce between the states and with outside nations.

In 1957, he said, Americans paid approximately \$26 billion for life, property and casualty insurance, more than 8% of national income. With the rapid increase in means of transportation and communication, state and national and international boundaries have ceased to be effective. Consequently, Congress must continue to scrutinize the growth of interstate and foreign commerce, particularly in insurance.

Competition Prime Regulator

When it adopted public law 15, Congress chose to repose principal regulatory responsibility for insurance on the states. But Congress, he said, indicated its intention that competition should continue to be a prime regulator. Congress now is examining how the states have exercised their stewardship over the business.

The necessity for this, he declared, was dramatically highlighted by the Supreme Court's decision setting aside cease and desist orders of Federal Trade Commission prohibiting false and misleading advertising by life insurers. This decision has been widely interpreted as sharply restricting the jurisdiction of the federal anti-trust enforcement agencies in insurance. In regulatory vacuum, he declared, must be developing in insurance where neither federal nor state authority is able effectively to protect the public interest.

He is, he said, convinced that the Supreme Court decisions overlook the facts developed in those cases.

Observers On Hand

Life insurance observers on hand include Manuel M. Gorman, associate general counsel, and Paul Walker, assistant counsel of Life Insurance Association of America; Robert Taylor, director of the Washington office of Institute of Life Insurance, and Richard J. Congdon, general attorney of Prudential. John P. Hanna, general counsel of Health Insurance Assn. of America, was present for the A&S business. Commissioner Navarre of Michigan was immediate past president of National Assn. of Insurance Commissioners, present most of the time. Representing U. S. Chamber of Commerce was A. L. Kirkpatrick, manager of the insurance department.

THE MEN FROM MIDLAND MUTUAL



Charles E. Sherer, CLU, Midland Mutual's Vice President and Director of Agencies—a general agent for 18 years before joining the home office staff.

In every area...success-building agency help

"At the Midland Mutual," explains Vice President Charles E. Sherer, "the job of the Agency Department in the Home Office is to furnish our field management people with effective leadership and support in every area of operation... a strong, continuing 'Helping Hand' in their efforts to achieve lasting success."

Foundation of Midland Mutual's agency-building program is a liberal, attractive plan of field compensation and financial assistance. General agents receive an expense allowance (separate from compensation) which enables them to have a modern, efficient office.

The company's home office agency team provides practical, resultful aid and guidance... in planning, recruiting, training and education, sales promotion

... and through field visits by men with broad experience.

If this "Helping Hand" way of life appeals to you, find out more by writing Mr. Sherer.



Serving Personal
Security Needs
Since 1906

**THE
MIDLAND MUTUAL**

LIFE INSURANCE COMPANY

256 East Broad Street, Columbus 16, Ohio

LAA History Relates Ad Expenditures

(CONTINUED FROM PAGE 2)

appear to be a great homogeneity in the life insurance business. And therefore the companies might be expected to follow much the same advertising pattern.

However, it so happens that the life insurance business is highly competitive. The companies have different problems. Many have different objectives. Sales organizations are set up on different systems. There are wide varieties of market patterns. There are differences in company personality. Therefore the fundamental advertising approaches to media and copy are likely to be different. Moreover, changing times and circumstances have resulted in some campaigns being abandoned and new ones adopted.

As a consequence, advertising has been used to achieve many different purposes for the life insurance companies. No formula has been devised which would apply to all companies under all circumstances.

Instead, advertising has been rec-

ognized for what it essentially is—a highly efficient and economical means of communicating with a great many people. What is said in the advertising and how it is done depend entirely upon what a particular company wants to accomplish.

It is a tribute to both advertising and the life insurance business that life insurance advertising should not have been congealed in a common mold. Diversity may well reflect vitality.

Founded On Sound Principles

Of course, some critics may say that the companies don't understand advertising, they don't know why they are advertising, and therefore they are going off wildly in all directions. An examination of life insurance advertising campaigns of the past quarter century indicates that this just isn't so. Instead, most of these campaigns appear to be founded on sound advertising principles. Moreover, instead

of confining advertising to a narrow groove, with a limited objective, the life insurance companies have recognized that the efficiency and economy of advertising as a mass communications medium offer many opportunities for effective use.

Brief Reviews Given

Here are brief reviews of some of the life insurance advertising programs which have been conducted during the past 25 years. They reflect not only wide diversity among com-

panies but also, among some companies, changes of objective and approach to meet changing circumstances.

The No. 1 life insurance advertiser today is Prudential, with a current annual budget of \$8,837,350. In 1933 its total advertising appropriation was only \$310,080. Prudential's market is essentially urban and industrial, and over the years it has concentrated its advertising in newspapers, radio and TV, with Sunday supplements replacing a magazine schedule in 1952. Radio

MANY MOONS... FEW SALES?

Then brave needum check ANICO'S brokerage line of

COMPETITIVE POLICIES

COMPETITIVE COMMISSIONS

make heap more wampum . . . sing happy chant about ANICO'S service!

ANICO SALES LEADERS

Family Policy.
\$10,000 minimum special.
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Gtd. Issue on Pension and Profit-Sharing plans.
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Openings everywhere in territory for REPRESENTATIVES, BROKERS, SPECIAL BROKERS

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YOU CAN WRITE MORE CREDIT LIFE...

... with Nationwide's up-to-date Credit Life programs! Nationwide insures lives of borrowers at lowest possible cost . . . provides Group experts to help you set up an efficient Credit Life plan . . . speeds up service through local representation. For details on how you can write more Credit Life, just contact: Nationwide Group Department — Brokerage Division, 246 North High Street, Columbus 16, Ohio.



Mr. C. Howard Gray (right), of Gray Agency, Wheeling, West Virginia, with Mr. John Nash, Executive Vice-President, Half Dollar Trust & Savings Bank, Wheeling. This bank is covered by Nationwide Creditors Group Life Insurance.



NATIONWIDE LIFE INSURANCE COMPANY • HOME OFFICE: COLUMBUS, OHIO

was used extensively from 1939 to 1955 and TV has been used since 1950. In 1940 the company even used foreign language radio.

Copy themes have been dictated by the needs and circumstances of the times. For example, during the depression-ridden '30s some advertisements stressed safety and strength while others described policies and quoted premium rates and dividends, thereby stimulating immediate sales. In common with many other companies, Prudential devoted some of its World War II advertising to support the war effort. More recently family protection has been stressed. Other campaign themes in the past have played up the agent, "Prudential is a friendly company," "The future belongs to those who prepare for it," immediate benefits of owning life insurance, and so on through a broad gamut.

Uses 143 TV Outlets

Currently Prudential is using 143 CBS outlets for the documentary TV show "The 20th Century," Sunday supplements in 301 newspapers for a

poster-type campaign in four colors, and local newspaper campaigns handled through each of the company's regional home offices.

In all its advertising the Prudential has consistently used the Rock of Gibraltar. Sometimes the story is told that during World War II, as the Germans advanced through France and there was some fear that Gibraltar might fall, the symbol became smaller and smaller, and that when the Allies were more successful the symbol became larger. Research proves that there is no truth in this canard. The Prudential has always had confidence in the strength of Gibraltar.

Metropolitan Led 25 Years Ago

A quarter century ago, the great Metropolitan Life was by all odds the leading life insurance advertiser with an expenditure of \$1,507,000 during the depression year 1933. Today its advertising budget has reached \$3.9 million.

For continuity of a copy theme there is nothing in life insurance advertising to compare with Metropolitan's

public service campaign on health. This advertising was started in 1922 and in 1933 advertisements were appearing monthly in 22 magazines with a total circulation of 25 million. During the past 25 years more than 3 million people have written to Metropolitan as a consequence of its magazine health advertising.

From 1935 to 1938 the company also used Sunday supplements for monthly advertising on automobile, school, home and industrial safety. Metropolitan continued to use this medium for a public relations campaign explaining the operation of a life insurance company—reserves, dividends, policy provisions, investments and other phases of the business. Although the subject matter was highly technical, an effort was made to obtain popular appeal by such devices as cartoons by Webster to illustrate some of the copy. This program was continued until 1943 when the copy appeal was shifted to support of the war effort.

Radio Found Effective

Metropolitan has also found radio an effective means of reaching mass audiences. As early as 1925 it broadcast early morning health programs from the Metropolitan tower, ultimately using 10 stations on a network so early in radio broadcasting that the first contract was made with the American Telephone & Telegraph Co. These broadcasts were discontinued in 1935 but after a lapse of 11 years radio advertising was resumed as a supplement to magazine advertising of health and safety subjects. The local programs, usually 15-minute morning newscasts, offer booklets on health and safety. At present 49 stations cover a listening area in which it is estimated that 80% of the Metropol-

itan's policyholders live. Radio requests for health booklets since 1940 exceed 5 million.

Of course it cannot be assumed that the tremendous improvement in mortality during the past quarter century—in which naturally the Metropolitan and other companies have a very direct interest—can be ascribed to this advertising. But it cannot be denied that the advertising undoubtedly played a part in having a favorable effect. Moreover, in survey after survey the Metropolitan leads all other companies in name familiarity. In its basic concept, continuity and coverage, the Metropolitan advertising program is often cited as a model of public service advertising.

Budget Now \$2,800,500

Equitable Society increased its advertising budget from \$250,000 to \$2,800,500 during the 25 years since 1913. Like many other companies in the earlier years Equitable at one time used most of its appropriation for a one-shot annual statement advertisement in newspapers with a very limited campaign in magazines. The company now runs black-and-white spreads in magazines, with dominating photographs and copy describing its concept of "living insurance." However, newspapers were used extensively to announce new policies in 1954 and again in 1957.

One of the few companies to have made extensive use of radio, Equitable sponsored a weekly half-hour dramatic show on the complete American Broadcasting Co. network for several years, from 1945 to 1952. A night-time show entitled "This Is Your FBI," brought Equitable's advertising message to a wide audience until television competition became evident.

memo to home
office underwriters

The Right Training can Make Any Underwriter a Better Underwriter

Training underwriters to be more effective is a long-standing service provided by North American Reassurance Company. The result of this training is often improved life company experience.

This expertly conducted program is not stereotyped, "big class" training. It consists of individual guidance that not only strengthens the underwriter's knowledge of the rules, but sharpens his ability to interpret and apply them correctly to each individual risk. It develops a much neglected faculty—the underwriter's good common sense.

Our underwriter training program is continuous. Instruction usually takes place at our own offices, but our training specialists do conduct courses at client company locations. Life companies of all sizes, and new or experienced underwriters throughout North America, are eligible and welcome.

Our clients are enthusiastic about the quality of training their underwriters receive at North American. And this, like all our services, is rendered from a completely non-competitive position—"Reinsurance Exclusively" is our only business.

Why not write now for open dates in our underwriter training program? You'll find it can benefit both your underwriter and your company.

Send for your free copy of "Reinsurance Exclusively" which outlines all North American services.



NORTH AMERICAN REASSURANCE COMPANY

161 East 42nd Street, New York 17, New York
MUrray Hill 7-1870

Reinsurance Exclusively

LIFE • ACCIDENT & SICKNESS • GROUP

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Woodmen of the World OFFERS
THE FINEST CONTRACT
FOR WOMEN AS WELL AS
MEN... KEY TO A WORTHWHILE
AND REWARDING CAREER



THESE ADVANTAGES CAN BE YOURS:

UNUSUALLY HIGH COMMISSIONS • COMPETITIVE RATES • LIBERAL PLANS
• SALES AIDS • TRAINING • HOSPITALIZATION, LIFE, DISABILITY
AND RETIREMENT BENEFITS FOR YOU AND YOUR FAMILY

Write for Proof: T. E. Newton
Field Manager • Dept. N 858



THE FAMILY FRATERNITY
WOODMEN OF THE WORLD
LIFE INSURANCE SOCIETY
Home Office: 1708 Farnam St. • Omaha 2, Neb.

Eber Spence Retiring From Active Duty At American United

Eber M. Spence, vice-president and director of agencies American United Life, at the company's board meeting last week requested to retire as active head of the agency department about four



Eber M. Spence

years ahead of his regular retirement date under the company plan. His resignation was accepted effective Dec. 1. Lawrence

Leland, who has been Mr. Spence's assistant and manager of agencies since 1950 will succeed Mr. Spence.

Mr. Spence will remain on the board and continue in an advisory and specific project capacity. He also plans to devote more time to teaching life insurance subjects and promoting life insurance as a career for young men, especially college graduates.

Mr. Spence, who has spent his entire business career in life insurance, joined American United in 1948 as vice-president and director of agencies. He was elected to the board the following year. He has been active in attracting college trained men to the industry and was one of the founders of Purdue

Institute. His own graduation thesis from Millikin University in 1921 was on life insurance.

Mr. Leland was recruited into the life insurance business in 1939 by Mr. Spence, who at the time was a general agent in Indianapolis. He was assistant basketball coach at Earlham, Ind., for a year and officiated high school and college basketball for some 16 years afterwards. A graduate of Purdue Institute and the LIAMA school at Chicago, Mr. Leland is on the LIAMA committee on relations with colleges and universities, and is a former president of Lafayette (Ind.) Life Underwriters Assn.

Deaf Radiologist Is Totally Disabled, Iowa Court Holds

DES MOINES—Iowa supreme court, ruling that policy definitions of disability should be "liberally construed" in favor of the insured, has allowed a Des Moines physician to receive benefits under his coverage with Loyal Protective Life for total disability.

The doctor, Robert P. Mason, claimed total disability for loss of hearing, testifying that his deafness prevented him from continuing his general practice of medicine. Dr. Mason took a three-year residency at Veterans Hospital to become a radiologist, for which hearing is not necessary, and is now engaged in that work.

The policy defined total disability as inability to engage in the regular occupation or any gainful occupation for which the insured is reasonably fitted. The court said: "Total disability as used here does not mean a state of absolute helplessness," and applied that to Dr. Mason by stating that his course in radiology demonstrated that before taking the training he was not "reasonably fitted" for that type of work and should not therefore be deprived of policy benefits.

Dow Retires; Two Named By Travelers

Vernon T. Dow, vice-president of Travelers, has retired after 39 years with the company. Sterling T. Tooker, second vice-president, has transferred from the personnel to the executive department and will have charge of budgetary controls, expense allocation, research, employee and public relations, and similar general administrative affairs. Edgar S. Reed, secretary, has succeeded Mr. Tooker in charge of personnel.

Mr. Dow joined Travelers in 1919 as field underwriter at Newark, and later was assistant office manager there. He went to the home office as a branch office supervisor in 1926 and later was named assistant chief accountant and then assistant comptroller. He became secretary of the branch office administration department in 1947 and vice-president in 1950. In 1953 he assumed administrative duties on the executive staff.

Mr. Tooker has been with Travelers since 1935. He began in the life actuarial department and transferred to

the department of home office supervision in 1942. He was named secretary of the personnel department in 1947 and second vice-president in 1954.

Mr. Reed joined Travelers in 1938 and became superintendent of the printing department in 1949. He was appointed assistant secretary in 1952 and secretary of the personnel department this year.

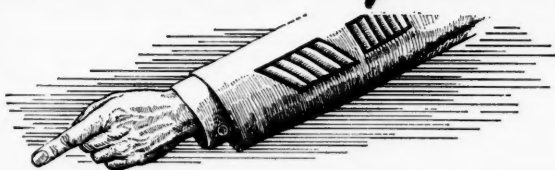
Horner Agency Issues Brochure

The Frank R. Horner general agency of Northwestern Mutual Life at Madison has published a 24-page brochure tying in with the 100th anniversary of Northwestern Mutual. The brochure describes operations and services of the general agency which has 44,000 policyholders and about \$200 million of life insurance in force.

The Horner general agency covers 19 southern Wisconsin counties and includes the city of Janesville, where Northwestern Mutual began operations in 1868.

The Hunkin agency of Connecticut Mutual Life, Chicago, had its largest July with \$2,214,611 submitted and \$2,465,790 paid.

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*Printers to the insurance industry for more than 40 years

No. 8 IN A SERIES



EQUITABLE LIFE OF IOWA IN OHIO and KENTUCKY

Together, these two states represent one of the nation's greatest industrial areas. Moreover, mining and agriculture and the breeding of some of the world's finest horses contribute to the fame of the Buckeye and Blue Grass states. Similarly, these seven general agents and their agency associates contribute largely to the total volume of the Equitable Life of Iowa. We commend their efforts.



Equitable

LIFE INSURANCE COMPANY OF IOWA

FOUNDED IN 1867 IN DES MOINES

Editorial Comment

Why Agents Leave Companies

Whenever a life agent changes his company affiliation it is interesting to listen to his explanation of the move that he has made. He will give what he believes to be reasons but usually what he has to say is only so much rationalizing.

For example, if he has been with a small company he will say that he changed to a larger one because he wanted to represent a company that is well known or one that advertises to the public or has the lowest net cost; that "has the most complete line of policies" or "that writes substandard."

On the other hand, if the agent has left a large company to go with a smaller one he will contend that he did so because in his new connection he will be "a personality instead of a number," that he will be "in close touch with the home office by mail, personal visits and telephone," that he will be "on a first-name and personal basis with all the officers of the company; that because of his close friendship with all the officers of the company," questionable cases will get more sympathetic attention; that "with a smaller company he will be one of the outstanding producers, possibly even the company leader and certainly not an 'also ran.'" He will contend that as a successful agent he is likely to be advanced to a general agency or managerial status more quickly than with a larger company.

These arguments and many others like these have been heard over and over again. When examined closely it will be seen that they set up the premise that what the agent regards as an ideal company connection will in itself help him sell more life insurance. Nothing could be further from the truth.

There are now some 1,300 legal reserve life companies in the United States. Practically all of them made good records last year as compared with 1956 and a good many are likely this year to exceed their 1957 performances. In other words, agents all over the country are selling life insurance for all kinds and conditions of companies.

In most cases the prospect has only the foggiest notion of what kind of company the agent represents. It is true of course that the names of a few companies that have advertised extensively in the nationally circulating magazines are better known than others, but how many average prospects are there in the country who could rattle off the names of as many as a dozen life insurance companies out of the 1,300 that are actively in business today?

The prospect does not buy the company; he buys life insurance. He may or may not be impressed with the name of the company when the agent mentions it. Possibly it rings some sort of a bell with him but in most cases it does not. What moves him to become a policyholder is what the agent says about what life insurance will do for him.

No one who ever heard him will forget the moving talks that J. Elliott Hall, New York general agent of Penn Mutual, used to make about life insurance selling. His savings bank presentation was particularly effective. He used to relate that toward the very end of it the prospect would usually ask, "But isn't this life insurance you are talking to me about?" To this Mr. Hall would always reply, "Does it make any difference?"

A life insurance man representing whatever company he may can interest the average man with a home and family in some kind of life insurance. He can make the prospect conscious of his life insurance needs. After establishing the needs he can create the desire of the prospect to own some or some more life insurance. He can do all of this representing a small, medium-size or large company. It is almost never the company that makes the difference. An agent's relations with a particular company may be good, bad or indifferent. If they are bad he may change to another company but it is oddly enough true that he almost never changes for the reasons that he gives.—Howard J. Burridge.

Deaths

EARLE W. PEIRCE, 62, vice-president and treasurer of Beneficial Life, died in Salt Lake City of a coronary occlusion. Mr. Peirce joined the company in 1913 as a stenographer and became an officer in 1935 upon his appointment as assistant treasurer. He later was advanced to treasurer, and in 1950 he became a vice-president. He was a director of Life Office Management Assn.

JOHN E. HAYES, 72, who retired in 1951 as manager of Prudential's Northtown district agency, Chicago, died in St. Mary of Nazareth Hospital there. He had been with the company for 29 years.

DONALD G. MIX, assistant agency secretary of State Mutual, died in Worcester, Mass. Mr. Mix joined the dividend department of State Mutual in 1923, and three years later was appointed manager of the conservation department. In 1950, he became manager of sales promotion and in 1955 was appointed assistant agency secretary. He received his CLU designation in 1938.

HERMAN ANDREW, 67, died of heart failure at his home in San Antonio. He began in life insurance with Business Men's Assurance in Twin Falls, Ida., in 1929, going to San Antonio more than 25 years ago as district agency manager for the company in southwest Texas. He retired as district manager three years ago but continued to write personal business until his health compelled him to become inactive.

Stocks

By H. W. Cornelius, Bacon, Whipple & Co.
135 S. LaSalle St., Chicago, August 12, 1958

	Bid	Asked
Aetna Life	205	210
Beneficial Standard	15 3/4	16 1/4
Business Men's Assurance	74 1/2	76 1/2
Cal.-Western States	92	96
Columbian National	108	112
Commonwealth Life	23 3/4	24 3/4
Connecticut General	313	320
Continental Assurance	135 1/2	139
Franklin Life	66 1/2	68
Great Southern Life	81	85
Gulf Life	25	26
Jefferson Standard	80	82
Kansas City Life	1390	1420
Liberty National Life	35	36
Life & Casualty	20 3/4	21 3/4
Life of Virginia	103 1/2	106 1/2
Lincoln National Life	199	204
National L. & A.	91 1/2	94
North American, Ill.	16 1/2	17 1/2
N. W. National Life	82	85
Ohio State Life	275	300
Old Line Life	43 1/2	Bid
Republic Natl. Life	53	55
Southland Life	97	101
Southwestern Life	114	119
Travelers	83 1/2	84 1/2
United, Ill.	35	36 1/2
U. S. Life	36 1/4	37 1/4
Wisconsin National Life	63 1/2	65

NALU Seeking New Site Or Building For Headquarters

WASHINGTON—National Assn. of Life Underwriters is reconsidering plans to build its headquarters on C street opposite the new State Department building and is looking for a site or building elsewhere in the northwest area of Washington, D. C., according to Arthur W. Defenderfer, John Hancock, Washington, newly-appointed chairman of the NALU building committee, which met here last week with the NALU executive committee.

Committees Vote Unanimously

"The executive committee and the building committee voted unanimously that we look elsewhere for a site or building, and subsequently the board of trustees of NALU has concurred by an overwhelming vote," Mr. Defenderfer said.

"We are seeking a more suitable site or building that would give us 10,000 to 20,000 square feet of office space," Mr. Defenderfer said. "Our present property at 22nd and C streets probably will be released to the government. We are negotiating to that end now."

Until quite recently the plan was to build on the south side of C street midway between 22nd and 23rd streets.

Senate D. C. Committee Hears Arguments For Blue Cross Regulation

A Senate District of Columbia subcommittee heard a number of witnesses testify on proposed legislation to subject Group Hospitalization Inc. (Blue Cross) to regulation by the district commissioners.

Frank Carbo, manager of Mutual Benefit H. & A., representing D.C. Life Underwriters Assn., opposed the legislation in its present form, but recommended that GHI be treated as a mutual company under the district life insurance act.

Sen. Morse, subcommittee chairman, said that his group would take the problem under consideration, but announced that no legislation was intended for this session.

The NATIONAL UNDERWRITER



The National
Weekly Newspaper
Life Insurance

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Assistant Editor: William Macfarlane

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William H. Faltyssek, William H. Faricy,
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Southern New England Manager and
F. MacNamara, Northern New England
Manager.

CHICAGO 4, ILL.—175 W. Jackson Blvd.,
Tel. WABash 2-2704. A. J. Wheeler, Chicago
Manager. R. J. Wiegman and William
O'Connell, Resident Managers.

CINCINNATI 2, OHIO—420 E. Fourth
St., Tel. PARKway 1-2140. Chas. P. Wagoner,
Sales Director; George C. Roeding, Assistant
Manager; Roy Rosenquist, Statistician.

CLEVELAND 14, OHIO—1367 E. 8th St.,
Lincoln Bldg., Rm. 208, CH 1-3398. Paul
Blesi, Resident Manager.

DALLAS 1, TEXAS—309 Employers Insurance
Bldg., Tel. RIVERSide 7-1127. Alfred
Cadis, Southwestern Manager.

DENVER 2, COLO.—234 Commonwealth
Bldg., Tel. AMherst 6-2725. J. Robert
Ebelhardt, Rocky Mountain Manager.

DES MOINES 9, IOWA—327 Insurance
Exchange Bldg., Tel. ATLantic 2-5966. D.
Stevenson, Resident Manager.

DETROIT 26, MICH.—613 Lafayette Bldg.,
Tel. WOODward 5-2305. William J. Goss,
Manager for Indiana and Michigan.

INDIANAPOLIS 20, IND.—5634 N. Broad
St., Tel. CLIFFord 3-2276. William J. Goss,
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MINNEAPOLIS 2, MINN.—1038 Northwestern
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Howard J. Meyer, Northwestern Manager.

NEW YORK 38, N. Y.—17 John St.,
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Curtin and Clarence W. Hammel, New York
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NEWARK 2, N. J.—10 Commerce Ct.,
Market 3-7019. John F. McCormick, Resident
Manager.

PHILADELPHIA 9, PA.—123 S. Broad St.,
Room 1027, Tel. PENNypacker 5-3708. Robert
I. Zoll, Middle Atlantic Manager.

ST. LOUIS 2, MO.—221 Pierce Bldg.,
Chestnut 1-1634. Geo. E. Wohlgenuth, Resident
Manager.

SAN FRANCISCO 4, CAL.—582 Market St.,
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Pacific Coast Manager.

CHANGE OF ADDRESS

Be sure to enclose mailing wrapper with new address. Allow three weeks for completion of the change. Send to subscription office, 420 E. Fourth St., Cincinnati 2, Ohio.

ROAD TO EXCELLENCE **THEME OF GAMC** **MEETING IN DALLAS**

"Road to Excellence" will be the theme of the two-day Dallas General Agents & Managers Conference program, Sept. 8-9.

A panel of three discussing the recent Million Dollar Round Table survey of its members and four featured speakers will be highlights of the meeting.

The program, which will open Monday afternoon, Sept. 8, at the Statler-Hilton Hotel, will have Frank P. Crum, New York Life manager at Detroit, setting the stage for the meeting.

David G. Hunting, general agent for New England Life at Philadelphia, will follow with his story on how he aimed for excellence while starting an agency from scratch.

Frank DeStefano, New Haven district manager for Metropolitan, will close the afternoon session with his ideas on why it pays to train recruits.

GAMC will resume Monday evening with the business meeting, at which time there will be election of officers, and the adoption of the by-law change dealing with members of supervisors associations.

This will be followed by a panel discussing in detail, from the management standpoint, the results of the recent MDRT survey.

The MDRT panel will include William T. Earls, general agent of Mutual Benefit Life at Cincinnati, chairman of the MDRT public relations committee and a past chairman of the round table; Robert L. Kahn, program director of the University of Michigan survey research center, and Francis L. Merritt, director of training of Mutual Benefit Life.

Some of the points the panel will bring out are what the million dollar producer is like, where to find him, how can he be motivated, should he be in management, is he a "big" lives producer, should he write all lines, does he specialize, is life insurance a business or a profession to him.

The final speaker on GAMC's program will be Frank O. H. Williams, vice-president Connecticut General, who will appear on the traditional GAMC luncheon program, Tuesday, Sept. 9. He will talk on "Yardsticks to Insurance Excellence."

An extra attraction of the meeting will be the award for the best management article appearing in Manager's Magazine and District Management presented by an LIAMA staff member.

Training Conference For **N. Y. State Agents Aug. 22**

Plans for the leadership training conferences for 31 local associations were approved by the officers of New York State Assn. of Life Underwriters. The first of five conferences will be held Aug. 22, at the Gramatan hotel in Bronxville for the Dutchess county, New York City and its five branches, Orange-Sullivan, Rockland county and Westchester associations.

San Francisco CLUs Pick **Joseph J. Wittenmeier**

Joseph J. Wittenmeier, Home, has been elected president of San Francisco chapter of CLU, succeeding Elwood Starbuck, Provident Mutual, who becomes a member of the board. Other new officers are John E. Curley, California Western States, vice-president; Paul O. Klein, New York Life, secretary, and Sherwood Jones, Metropolitan Life, treasurer. Elected direc-

tors were Carroll Walker, Equitable Society, and Ernest D. Haseltine Jr., Northwestern Mutual.

Edwin T. Golden, New York Life; Robert L. Levin, Equitable Society, and Gordon C. Maxson, Penn Mutual, reported to the group on the recent convention of the Million Dollar Round Table.

Williams, Others **Promoted By Life & Casualty Of Tenn.**

Life & Casualty has appointed George R. Williams vice-president and manager of the agency department. J. A. Kearley, former supervisory assistant to Mr. Williams, will succeed him as vice-president and division manager of the southeastern territory.

C. L. Westbrook, district manager at Austin, Tex., was named assistant division manager of the southwestern division with headquarters in Houston.

Mr. Williams joined Life & Casualty in 1924 and has served in virtually all field positions. After making an outstanding record as district manager in several districts, he was appointed vice-president and division manager in 1946. Mr. Williams succeeds J. P. Byrne, former agency vice-president, who was relieved for reason of health but will continue as vice-president and agency consultant.

Mr. Kearley joined Life & Casualty at Talladega, Ala., in 1940 and became division supervisor at the home office in 1956.

American General Group **Buys Bank Building** **For New Home Office**

American General group of Houston has announced plans to purchase the 24-story First City National Bank building to serve as its home office and headquarters.

The transaction, designated by realtors as the biggest real estate deal in Houston's history, was consummated for an unannounced price, estimated to be in the neighborhood of \$12 to \$13 million. Also included in American General's purchase is the 10-story Electric building and a portion of the former Kirby Theater, which was converted into additional lobby space for the bank in 1956.

It is expected that the new skyscraper building for First City National Bank will be finished in 2 to 2½ years, and American General plans to begin its move soon thereafter. American General and American General Life presently occupy several floors of the Rusk building. It is also anticipated that American General Investment Corp., now occupying a location several blocks south of the downtown area, will move into the new home office building along with the insurance companies, as will the American General Realty Co.

Other members of the American General group are National Standard of Houston, Union National Life of Lincoln, Hawaiian Life and the newly acquired Home State Life of Oklahoma City.

Nashville GAMA Elects

Nashville General Agents & Managers Assn. has installed James R. Goldman, Massachusetts Mutual, as president. Others named were Todd Baker, Provident Life & Accident, vice-president; C. A. Craig II, National Life & Accident, secretary-treasurer. Directors elected were David N. Beauchamp, Occidental Life of California; Nelson A. Gregory, American United Life; George H. Rutenbar, New England Life, and James H. Widener, Commonwealth Life of Kentucky.



Increasingly Important

The importance of the training required to earn the designation of Chartered Life Underwriter—symbolized by this key—is very definitely growing year by year. One indication of this is the growth in paid memberships in the American Society—from 2264 in 1950 to 4307 at the close of the 1956-1957 year.

There are many other indications of the increasing importance of the degree: various measurements of what happens to those who became C.L.U.'s, the growing number of candidates who pass examinations, the ever-larger group of individuals who are studying to prepare for the C.L.U. examinations, etc.

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Growing Life affiliate of substantial Fire Insurance company wants Manager in Indianapolis and Columbus, Ohio. Attractive salary and bonus arrangement. You must be good—and, if you are—this opportunity will be good for you.

Qualifications: Successful experience as agent and supervisor.

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Over-all direction of accounting functions, IBM, and capable of preparing annual statements. We are nationally known and diversified and are continuing our growth.

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Excellent opportunity offered to experienced Life and Accident and Health man. Attractive salary and expenses, group life and pension assures splendid future.

Successful applicant's immediate responsibility will be primarily concerned with recruiting new agencies and working with present general agencies.

Please write in confidence to: Douglas S. Felt, Agency Vice President, Empire State Mutual Life Insurance Company, 315 North Main Street, Jamestown, New York.

EXCELLENT OPPORTUNITY

\$5 Million annual producing rate Agency now at point of adding supervisor. Unusual opportunity for young man between 28 and 35 who has sales and staff experience. Write in confidence to Lee Bonelli, Massachusetts Mutual Life Insurance Company, 13273 Ventura Boulevard, Studio City, California.

MANAGEMENT OPPORTUNITY—PHOENIX
Large eastern mutual life company looking for district agent with organization experience for established office in Phoenix, Arizona. Will lead to general agency opportunity when individual has demonstrated ability to develop full-time organization. Address Box B-83, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

ACTUARY AVAILABLE

FSA, age: early thirties, desires interesting, challenging, and properly compensated position where his over 8 years experience in Ordinary and Group departments of large Life insurance company can be suitably utilized. Write Box B-91, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

Jenkins-Keogh Bill Believed To Be Dead

(CONTINUED FROM PAGE 1)

contracts. There would be an annual ceiling on the deduction of \$2,500 and a lifetime ceiling of \$50,000. Larger annual exclusions would be allowed people who are over 50 when the bill goes into effect. The untaxed funds so invested would be taxable in full when they are withdrawn, presumably after the taxpayer reached the age of 65 and retired. In all cases, withdrawals would have to be started not later than the age of 70.

The amended bill represents a substantial improvement over the prior version and largely meets technical objections to it. However, though it would allow smaller maximum tax deductions than the previous version, the amended bill would still involve a very substantial revenue loss, amounting to an estimated \$365 million annually. This estimate assumes that actual deductions would be only a part of the maximum allowable, ranging from 15% of the maximum for taxpayers with less than \$3,000 of income to 66⅔% of the maximum for those with more than \$20,000 of income.

Relief Not Justifiable

In view of the large impending deficit, which has made necessary the extension of existing tax rates on taxpayers generally, the special relief for a selected group of taxpayers contained in H. R. 10 does not appear to be justifiable.

The Treasury is concerned over the problems that self-employed people without pension coverage have in providing for their retirement needs. This question is one of great importance which poses a number of basic issues for the future formulation of our tax structure. We believe that these difficult issues can best be satisfactorily resolved under conditions when general tax reductions and basic reforms involving large tax savings can properly be considered.

While the bill before your committee is relatively circumscribed, the revenue impact of this type of legislation would be much greater if the special tax deductions that this bill would grant to the self-employed were to be made equally available to all taxpayers. Among the taxpayers other than self-employed who might have claims for similar legislation if H. R. 10 were adopted are: (1) Employees not covered by industrial pension plans, (2) Employees covered by pension plans who receive very small pensions and who would want tax relief for their own personal supplementary savings for retirement, and (3) Employees under pension plans with high rates of employee contributions which are not now deductible.

Might Be Precedent

The adoption of H. R. 10, in whatever limited or modified form, might well constitute a precedent resulting in more widespread adoption of this kind of special relief. If all taxpayers were allowed deductions for retirement savings up to 10% of their adjusted gross income or \$2,500 a year, with the maximum also raised for persons over 50 years of age, as provided in the bill, it is estimated that the revenue loss would be \$3 billion a year. Again, this estimate is based on the partial degree of utilization of maximum allowances previously assumed for various income levels. There would be a substantially greater potential revenue loss if there were fuller utilization of the allowance.

It is, of course, axiomatic that the benefits of H. R. 10 would be of more importance to the higher bracket taxpayers among the eligible group, since these would be most likely to be able to make personal savings for retirement income and since their applicable tax rates would give them the greatest proportionate tax reduction for such savings as qualified for the deduction.

Could Impose 60% Ceiling

The cost of such selective relief may be appraised in relation to the fact that a ceiling of 60% could be imposed on individual income tax rates at a considerably smaller revenue loss than would result under the proposal. A 55% ceiling could be adopted on individual income tax rates for only a moderately greater revenue decrease than under H. R. 10.

The selective relief adopted under H. R. 10 would pre-empt amounts otherwise available for more general rate reduction and structural reforms. It would seem especially inappropriate to follow such an approach at a time when general tax relief and reform have had to be postponed.

Under the circumstances, the department is opposed to the enactment of H. R. 10.

The bureau of the budget has advised the Treasury Department that there is no objection to the presentation of this report.

Effect Of Private Pension Plans On Life Sales Negligible

(CONTINUED FROM PAGE 4)

families bought some such coverage last year, and that the proportion of total income spent for life protection declined from 3.7% in 1950 to 3.3% in 1956.

Income was found to be the most important factor related to life ownership, with only 43% of those having earnings of \$1,000 or less owning insurance while 96% of those with incomes of \$7,500 or more have coverage. Low income individuals regard life protection merely as a burial benefit and often buy small amounts of protection for all family members with that end in view. Higher income earners concentrate their protection on the breadwinner, with a view to providing for dependents. Those who consider life purchases as savings, however, are almost constant in percentage in all income groups. Peak premium payments come between ages 35 and 44, the study found, and home mortgagers are highly insured, as are young parents with children.

Akron Bar Assn. Offers Members Group Life Plan

Akron Bar Assn. is offering its 700 members life insurance under a group plan written by Union Central Life.

Any member up to age 70 will be eligible and coverage will go as high as \$20,000. Under the plan, the amount of coverage ranges downward to \$5,000 for the 65-70 age group, and no medical examination is required. Staffs in members' offices may be covered for lesser amounts.

Thormeyer To Home Office

Julius C. Thormeyer has been appointed assistant superintendent of mortgage loans at the Massachusetts Mutual home office, not at the Washington, D. C., regional office, as reported last week.

N. Y. Hears Argument Against Credit Life, A&S Rules Revisions

(CONTINUED FROM PAGE 1)

in New York state. It further provides that a written application for insurance, signed by the debtor, is required. The policy issued to the debtor must include a provision that each individual policy paid for by the debtor or must provide that in the event of termination of coverage prior to the scheduled maturity date of the indebtedness any refund of premium due shall be paid or credited promptly to the debtor. The regulation also states "an insurer shall promptly refund to the policyholder any refund or premium due on termination of insurance prior to the scheduled maturity date of the indebtedness, and group policyholder or creditor shall promptly refund or credit to the debtor or any refund of premium due."

H. Van B. Cleveland of John Hancock stated that although his company was for the general aims of the regulation he pointed out that under its refund provisions insurance companies were at a definite disadvantage because they could not poll either the borrower or the creditor.

J. P. Quinn, counsel of Health Insurance Assn. of America, found the regulation deficient in its general particulars and said a provision of the regulation which requires the issuance of A&S insurance in one form would put a straitjacket on credit A&S insurance. The provision he was referring to was one which stated that credit A&S insurance could be issued in individual policies to debtors only on a term plan and must provide benefits retroactive to the first day of disability due to sickness or accident continuing for more than 14 days.

Donald S. MacNaughton, assistant general counsel of Prudential, pointed out that premium rates provided in the regulation were far too low. He was sustained in his argument by Arthur J. Cade, executive vice-president of Old Republic Life, who maintained that his company could not operate in New York under the rate schedule as prescribed in the regulation. He pointed out that the schedule was the same for individuals and groups, and said he could not understand how the department had arrived at this inequitable arrangement.

Tax Bill Favored By Mutuals Is Introduced

(CONTINUED FROM PAGE 1)

will be the first federal life insurance tax applying only to mutuals.

Starting with the company's total receipts, the bill grants deductions for operating expenses, claim payments, additions to regular reserves, and additions to a special fund designed to protect policyholders against certain unpredictable long-term risks; allows policyholder dividends as a deduction; applies the regular corporation income tax rate of 52% to the "income" remaining after these deductions, and specifies a minimum tax, in effect guaranteeing that the government will collect on life insurance business contrasted with pension plans and annuities, no less than it would under the laws in effect during the last three years.

New business of Homesteaders Life of Des Moines during July, showed a gain of 49.4% over July, 1957, with a gain for the first seven months of 16.1% over the similar period last year.

DISCOVER THE DIFFERENCE



THEY DID IN 1903* YOU CAN IN 1958

You can Discover the Difference in 1958 faster and easier than they did. If you're like many life underwriters you've been searching for the company which can help you make life insurance a career instead of a job without a definite future. We feel we are the company with the difference . . . here's why:

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- Group life insurance.
- Complete portfolio of modern policy forms for better production.
- Excellent sub-standard facilities enabling you to serve a larger clientele.

Important? Of course, because isn't it true . . . you've been so busy creating security for others you've forgotten the most important person of all — yourself — and your own security at age 65?

For more detailed information on these important differences contact:

MARC F. GOODRICH, C.L.U.,
Assistant Director of Agencies

*THE WRIGHT BROTHERS, whose desire to discover the difference between walking and flying led to their experiments with heavier-than-air craft, climaxed in 1903 with first successful flight at Kitty Hawk.

SECURITY BENEFIT LIFE

INSURANCE COMPANY
TOPEKA, KANSAS

Founded 1892
A Mutual, Legal Reserve Company

Deplors \$4,800 SS Wage Base Proposal

(CONTINUED FROM PAGE 4)

the social security tax base to \$4,800, Mr. Miller said:

"As a result of our studies, we are convinced that the guiding principle should be one of maintaining the limit at a point not to exceed the average earnings of regular, full-time workers. For higher-than-average earnings to be taken into account by OASDI would simply mean that extra unneeded benefits would go to the minority of persons who have had such above-average earnings. These are the very people best able to build their own extra protection on a voluntary basis.

"Under the principle we urge, no increase in the \$4,200 figure is warranted at this time—the earnings of regular, full-time workers now averaging about \$4,100. It has been suggested that because full-time male workers now earn an average of about \$4,400, an increase in the present figure would be justified. However, the system applies to both male and female workers, and the earnings of both should be taken into account in establishing the earnings' limit. And even if males alone are considered, an increase to as high a figure as \$4,800 is not justified.

Justification Not Sound

"It is true that if the earnings limit were increased, the extra taxes collected would exceed the cost of the extra benefits paid, with the excess available to finance other benefits of the system. In our judgment, this is not a sound justification for an increase. The group earning somewhat over \$4,200, who would provide the extra funds, already pay more than their proportionate share of social security costs."

Mr. Miller then said that the future cost of the present program of disability benefits will probably exceed original estimates.

"Consequently," he said, "we deem it unwise to liberalize disability benefits—at least until more knowledge of emerging costs is obtained. A cushion in the disability trust fund, which appears to exist as the result of one year's experience, is not a sound basis

on which to finance liberalization.

"The bill's proposal to provide benefits for the dependents of disability beneficiaries would seem particularly inadvisable. In many instances the family's benefits would be nearly as great as the previous earnings of the individual when fully employed. Consequently there would be little financial incentive for him to overcome his handicap and resume gainful activity—none, in many instances, if the offset provisions are eliminated as the bill proposes. Yet, adequate incentives are recognized as being of vital importance to successful rehabilitation programs.

"In the final analysis we are forced to conclude that the bill under consid-

eration would liberalize the system when a need for such liberalization has not been adequately demonstrated," Mr. Miller said. "To the extent that disability benefits would be expanded without sufficient experience in this area or an increase in the disability tax, the bill would jeopardize the financial stability of this portion of the system. While we commend the policy of providing tax increases sufficient to defray the costs of increased OASDI benefits, the full impact of taxation necessary to support the system has not yet been felt. Thus, in the long run it would seem desirable to keep taxes at a minimum so as not to overburden the economy. This cannot be done if benefits are increased at frequent intervals without regard to the sound principle that social security should furnish only a basic floor of protection."

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A&S Agent Urges Proper

Rates For N. Y. Blue Cross

Oakley Baskin, president elect of International Assn. of A&H Underwriters, appeared at a department hearing in Buffalo last month to help Blue Cross in western New York obtain increased rates.

Mr. Baskin, associate manager of B. F. Helmbrecht agency in Buffalo of Mutual Benefit H&A., said his testimony was in line with a new policy toward Blue Cross adopted at the annual convention of IAAHU in Los Angeles at which a resolution called for, among other things, sound financial principles in the operation of Blue Cross because lack of them would reflect on the entire industry. The resolution also urged a uniform system of costs to all users of insurance or service plans.

In his testimony, Mr. Baskin maintained that the hospitals can no longer operate as a "reserve" for Blue Cross because even a small deficit on the present high number of Blue Cross patients would represent a serious loss to hospitals. He commented that failure of the hospitals to get from Blue Cross the full cost of the service to the patient forces the hospitals to recover the difference from the balance of its patients, an inequitable procedure.



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